

JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)
MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT,
SOCIALIST REPUBLIC OF VIETNAM (MARD)

**THE STUDY ON
ARTISAN CRAFT DEVELOPMENT PLAN
FOR RURAL INDUSTRIALIZATION
IN THE SOCIALIST REPUBLIC OF VIETNAM**

Final Report
VOLUME 2
PILOT PROJECTS
AND
PROVINCIAL CRAFT MASTER PLAN

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**Volume 2 Pilot Projects
and Provincial Craft Master Plan**

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CRAFT MASTER PLANS OF MODEL PROVINCES

Ha Tay province

Quang Nam province

An Giang province

Lai Chau province

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Abbreviations

ADB	Asian Development Bank
AEQM	Areawide Environmental Quality Management
AFTA	ASEAN Free Trade Area
APEC	Asia-Pacific Economic Cooperation Conference
ASEAN	Association of Southeast Asian Nations
BDS	Business Development Services
BIDV	Bank for Investment and Development
BOD	Biochemical Oxygen Demand
BPSC	Business Promotion and Service Center
CBT	Community-Based Tourism
CCF	Central People's Credit Fund
CEM	Committee for Ethnic Minorities
CEPT	Common Effective Preferential Tariff
CIEM	Central Institute for Economic Management
COD	Chemical Oxygen Demand
COV	Copyright Office of Vietnam
CPC	Commune People's Committee
CPRGS	Comprehensive Poverty Reduction and Growth Strategy
CSRO	Central Sericulture Research Organization
DAFPPRI	Department of Agro-Forestry Products Processing and Rural Industries
DAFPPSI	Department of Agro-Forestry Products Processing and Salt Industries
DARD	Department of Agriculture and Rural Development
DOC	Department of Construction
DOCI	Department of Culture and Information
DOD	Department of Defense
DOET	Department of Education and Training
DOF	Department of Finance
DOI	Department of Industry
DOLH	Department of Land and Housing
DOLISA	Department of Labors, War Invalids and Social Affairs
DOP	Department of Police
DOS	Department of Statistics
DOSTE	Department of Science, Technology and Environment
DOTax	Department of Tax
DOTourism	Department of Tourism
DOTrade	Department of Trade
DOTransport	Department of Transport
DPC	District People's Committee
DPI	Department of Planning and Investment

EIA	Environmental Impact Assessment
EPA	Environmental Protection Agency
FDI	Foreign Direct Investment
FOB	Free On Board
FSC	Forest Stewardship Council
FU	Vietnam Farmer's Union
GDP	Gross Domestic Product
GMS	Greater Mekong Subregion
GSO	General Statistics Office
GTZ	German Technical Cooperation
HCMC	Ho Chi Minh City
HDI	Human Development Index
HRPC	Vietnam Handicraft Villages Research and Promotion Center
ICBV	Industrial and Commercial Bank of Vietnam
IFAT	International Fair Trade Association
ILO	International Labour Organization
ISO	International Standard Organization
ITC	International Trade Centre
ITCR	Institute for Tourism Research and Development
ITPC	Investment and Trade Promotion Center
IUCN	The World Conservation Union
JBIC	Japan Bank for International Corporation
JETRO	Japan External Trade Organization
JICA	Japan International Cooperation Agency
JIDPO	Japan Industrial Design Promotion Organization
MARD	Ministry of Agriculture and Rural Development
MDF	Medium-Density Fiber
MOAR	Ministry of Aquatic Resources
MOC	Ministry of Construction
MOCI	Ministry of Culture and Information
MOET	Ministry of Education and Training
MOF	Ministry of Finance
MOI	Ministry of Industry
MOJ	Ministry of Justice
MOLISA	Ministry of Labour, War Invalids and Social Affairs
MONE	Ministry of Natural and Environment
MOSTE	Ministry of Science, Technology and Environment
MoT	Ministry of Trade
MOT	Ministry of Transport
MPI	Ministry of Planning and Investment
MRDP	Mountain Rural Development Programme
NCSSH	National Centre for Social Sciences and Humanities
NEA	National Environmental Agency
NFUAJ	National Federation of UNESCO Associations in Japan
NGO	Non-Governmental Organization
NOIP	National Office of Intellectual Property
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OJT	On the Job Training
PC	People's Committee
PCF	People's Credit Fund
PCT	Patent Cooperation Treaty
PPC	Provincial People's Committee
PPE	Personal Protective Equipment
PRA	Participatory Rural Appraisal
SA	Social Accountability
SBV	State Bank of Vietnam
SME	Small and Medium Enterprise
SMEPC	Small and Medium Enterprises Promotion Center
SNV	Netherlands Development Organization
SOE	State Owned Enterprise
STAMEQ	Directorate for Standards and Quality
SIYB	Start and Improve Your Business
TQM	Total Quality Management
UAE	United Arab Emirates
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNIDO	United Nations Industrial Development Organization

VACNE	Vietnam Association of Conservation of Nature and Environment
VARISME	Vietnam Association of Rural Industrial SME
VBA	Vietnam Bank for Agriculture
VBARD	Vietnam Bank for Agriculture and Rural Development
VBP	Vietnam Bank for Poor
VBSP	Vietnam Bank for Social Policies
VCA	Vietnam Cooperative Alliance
VCB	Vietcombank
VCCI	Vietnam Chamber of Commerce and Industry
VFSI	Vietnam Forest Science Institute
VIETRADE	Vietnam Trade Promotion Agency
VISERI	Vietnam Sericulture Cooperation
VNAT	Vietnam National Administration of Tourism
VNCPCC	Vietnam National Cleaner Production Centre
WB	World Bank
WIPO	World Intellectual Property Organization
WTO	World Trade Organization
WTO	World Tourism Organization
WU	Vietnam Women's Union
WWF	World Wildlife Fund

1. INTRODUCTION

1.1 Objectives and Methodologies of Pilot Projects

The Study aims to investigate the applicability of the proposed policy framework through the implementation of pilot projects and to ascertain the replicability and the sustainability of selected pilot projects. Pilot projects were identified and designed to address key issues facing the craft sector. Their results can provide a good basis in formulating the Craft Development Master Plan.

Based on the results of the National Craft Mapping Survey and field surveys conducted by the Study Team and local consultants, craft sector issues and solutions were identified. Table 1.1.1 lists the main issues to be solved to develop the craft sector. In the 2nd Steering Committee meeting, four model provinces were selected for a more detailed study. These are Ha Tay in the north, Quang Nam in central Vietnam, An Giang in the south, and Lai Chau in the northern mountainous area.

Table 1.1.1 Main Development Issues of the Craft Sector

Issue	Description
Securing of Raw Materials	Traditional production is becoming difficult due to dwindling supply of raw materials. Worsening quality of craft products due to the use of cheaper, lower-quality raw materials plagues the sector. Exploitative consumption of raw materials causes environmental degradation.
Technology Improvement	As industrialization progresses and markets change, machines are used in some stages of certain craft production processes thereby reducing burden on labor and increasing product quality. However, this also discourages the practice of traditional techniques, which are handed down from generation to generation and are now vanishing. Measures for technical improvement should be promoted with consideration to the fact that manual processes create jobs, and the "handmade" process leads to differentiation and competitiveness. Balance between the two needs must be sought.
Product Quality Enhancement	Quality of craft products depends on the quality of raw materials and production techniques as well as management and improvement efforts. Due to insufficient skills and facilities, as well as the lack of quality standards and regulating agencies conducting inspections, quality suffers. Quality enhancement and standardization are thus needed.
Production Process Upgrading	Most craft enterprises produce products based on orders and according to buyers' specifications and appointed date of delivery. Insufficient skills of workers and subcontractors, correction of defects and remakes, and time loss due to unorganized storage of raw materials cause long delivery time. In order to improve the production process, improvement measures should not be limited to enterprises alone but should cover local production areas and local governments.
Design Improvement	Utilization of traditional techniques and skills is becoming more important in developing traditional items, combining different materials using existing skills, and so forth. The principle of craft design promotion is the creation of new designs using traditional materials and skills. Promoting a common understanding of design and developing a system that supports the promotion of designs are sought.
Craft Information	Due to a lack of understanding of market needs, producers in craft villages continue to make the same products or modify them to comply with outsiders' (e.g. distributors) requests. Craft villages have little access to market information, there being no facility or system where data and information on craft villages are available and which concerned parties can access. To promote crafts, enterprises and craft villages, centralization of information and establishment of a database to support formulation of concrete actions are needed.

Cont'n of Table 1.1.1

Issue	Description
Cluster Development	Craft clusters are agglomerations of craft producers and businesses that have common buyers, material suppliers or service providers and are commonly located within a geographic region. Their existence has given certain provinces a remarkable advantage over others. But due to the limited awareness of provincial governments and other organizations about the role of craft clusters, they have not provided the clusters with enough incentives and support. Craft clusters need to be organized and provided with a comprehensive strategy to achieve synergy and increase their contribution in improving their respective local economies.
Human Resource Development	Although many craft villages have abundant labor force, the lack of technical capabilities has not enhanced their competitiveness. Human resource development programs supported by governments concentrate on such fields as production or management; those for developing human resources to improve the craft sector are missing. In order to address issues of lack of skills and market information at the craft village level, developing human resources for product development is needed.
Business Management Improvement	Business managers manage everything from product development, marketing, and quality management to financial management. There is no organizational hierarchy with delineated functions within craft enterprises. Hence, the structure of enterprises is significantly weak, as business operation stops in the absence of the business manager. Management reform to improve and educate business managers is thus sought.
Work Environment Improvement	Although there is effort to manage environmental pollution caused by bigger enterprises, no attention is given to small craft enterprises. Thus, there is neither a study of health hazards from craft production nor information about them. Raising the awareness of the working environment among producers and establishing an environmental quality reform system by governments are sought.
Access to Financing	Although financing for enterprises in rural areas and for the poor exists, this is not available to micro enterprises, producers and exporters of crafts, thereby limiting their financial resources. Establishing appropriate financing schemes for craft producers and exporters is needed.
Improvement of Physical Distribution	Many middlemen stand between the craft villages and the urban markets in the product distribution chain. Due to the absence of market information in craft villages, appropriate price setting and quality improvement cannot be made, thereby resulting in lower competitiveness. Establishment of a fair distribution system where the distributors act as business development service (BDS) providers is necessary.
Marketing Improvement	Not only techniques and quality will be required to produce items that will sell in the market. A comprehensive approach covering promotion, distribution, pricing, environmental measures, etc. is also needed. There is no product development know-how in Vietnam; thus, in order to produce market-oriented products, improvement of techniques and human resources is sought for craft villages.
Linkage with Tourism	In tourist spots and near urban areas, the development of craft villages targeting tourists is progressing. Often, direct sales to tourists are the only source of cash revenue for ethnic minorities. Although government interest in tourism development through craft promotion is high, the pros (e.g. sales) and cons (e.g. changes in tradition) caused by tourism should be weighed carefully and discussed with the people in affected areas.
Impact on Natural Environment	Originally, craft items were produced using raw materials readily available in immediate environs. However, the exhaustion of wood, soil and other raw materials, environmental pollution from wastewater and air pollutants and increased craft production, create an impact on the natural environment. For sustainable development, environmentally friendly measures should be developed, discussed and implemented with raw materials distributors, craft enterprises and craft villages.
Assistance to Ethnic Minorities	Ethnic minorities produce crafts mainly for self-consumption. Their crafts are considered some of Vietnam's most important cultural properties and have inherent traditional value. In promoting their crafts, the Government along with NGOs should have a good understanding of the diversity of ethnic minorities and the respective issues they face.
Traditional Values Preservation	Traditional crafts are deeply rooted in Vietnam's culture. While the Government's and the people's interest lean more towards economic development, there is a need to increase their appreciation of crafts and to preserve their traditional value. By doing so, the problems of limited market and low market value of crafts will be solved.

Source: JICA Study Team

1.2 Overview of Pilot Projects

To address the main development issues of the craft sector, eight (8) pilot projects were proposed and approved in the 3rd Steering Committee Meeting (held on 8 November 2002). From November 2002, a task force (local consultant team) commenced the pilot project activities (see Figure 1.2.1 and Table 1.2.1, Table 1.2.2).

Figure 1.2.1 Pilot Projects and Project Sites

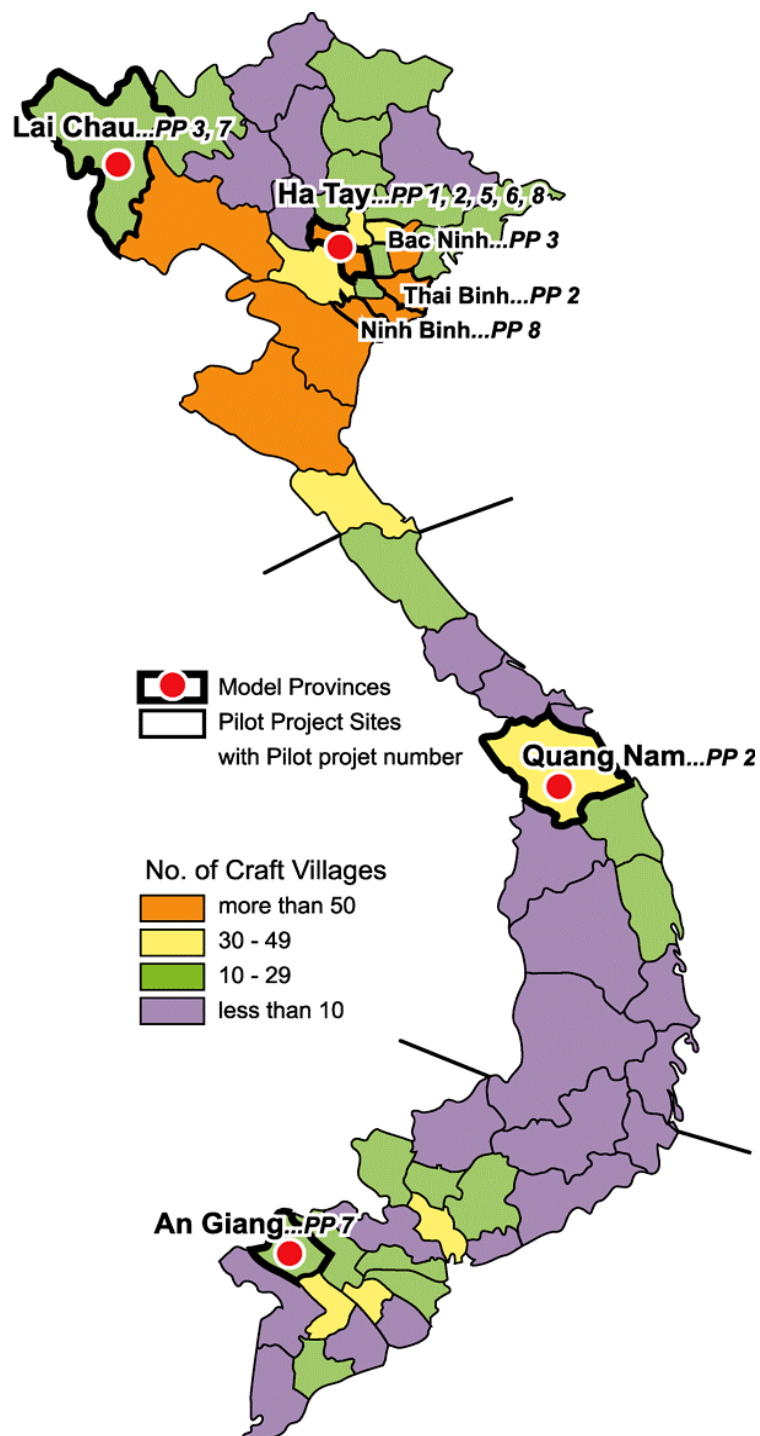



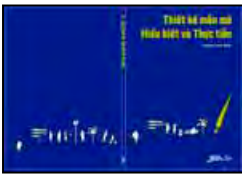


Table 1.2.1 Overview of Pilot Projects

Pilot Project (project sites/ implementing body)	Objectives and Outputs
<p>PP1: Craft Information System</p>  <p>(nationwide/ MARD)</p>	<ul style="list-style-type: none"> - Provide official information on crafts and craft villages through MARD craft website - Provide an information system to help in managing craft management agencies - Enhance linkages of existing craft agencies in providing information to improve the craft sector and promote long-term rural development <ul style="list-style-type: none"> ➤ Open MARD craft website (www.mard-craft.org.vn) and develop pages for provinces and craft villages ➤ Conduct training on basic web development for provincial officers of four model provinces ➤ Conduct a follow-up survey in 61 provinces and establish a craft village database
<p>PP2: Craft Cluster Development</p>  <p>(bamboo & rattan and wood carving in Ha Tay and Quang Nam, Nam Cao silk village in Thai Binh/ DOI, DARD, Vocational schools, VCA, VARISME)*</p>	<ul style="list-style-type: none"> - Establish a “Craft Cluster Development Strategy” for Ha Tay and Quang Nam to develop competitive products - Set up silk inspection and grading standards for yellow cocoon, silk yarn, and silk fabric in Thai Binh <ul style="list-style-type: none"> ➤ Implement institutional promotion activities (survey on policy and measures and making a policy among levels) ➤ Conduct Diagnostic Program No.1 to upgrade management skills ➤ Conduct Diagnostic Program No.2 to improve production management ➤ Conduct craft skills training programs for bamboo & rattan and wood carving industries ➤ Develop inspection and grading standards for silk products
<p>PP3: Preservation of traditional value of artisan crafts</p>  <p>(Dai Bai bronze casting village in Bac Ninh, Na Sang II textile village of Lao minorities in Lai Chau/ Vietnam Museum of Ethnology, local governments, People's Committees)</p>	<ul style="list-style-type: none"> - Identify traditional values in the craft knowledge of individuals and communities - Create a systematic archive of interviews or photos taken by craftspersons - Improve awareness of preserving traditional values of the craft villages through village photographers <ul style="list-style-type: none"> ➤ Conduct “Photovoice” participatory research, wherein villagers take photos according to given themes (tradition; history; production tools and processing; labor; use of craft items in daily life; changes in craft-making techniques; consumers; and environmental and health issues) ➤ Conduct interviews on traditional crafts and villages ➤ Prepare exhibitions in villages and at the Vietnam Museum of Ethnology in September 2003
<p>PP4: Establishment of Design Promotion System for Artisan Craft Development</p>  <p>(Hanoi Industrial Art University, VCA, VCCI)</p>	<ul style="list-style-type: none"> - Develop a tool for a common understanding of design - Develop a design promotion system in Vietnam - Design development activities <ul style="list-style-type: none"> ➤ Conduct social research in both urban and rural areas using a three-step method (survey – design, sketching ideas – marketing, sale) ➤ Prepare a design guide book “Design - Understanding and Practice” ➤ Conduct design seminars in August 2003

Cont'n of Table 1.2.1

Pilot Project (project sites/ implementing body)	Objectives and Progress
<p>PP5: Development of Competitive Craft Products for the International Market</p>  <p>(Hanoi Industrial Art University)</p>	<ul style="list-style-type: none"> - Develop competitive craft products (bronze castings, wood carvings, stone carvings, and lacquer wares) - Train craft coordinators who will serve as link between designers and producers ➤ Conduct a market study and analysis ➤ Select competent producers ➤ Study production processes and materials used for making products ➤ Develop prototypes for exhibition in September 2003 ➤ Prepare a manual for training coordinators
<p>PP6: Environmental Improvement of Craft Villages</p>  <p>(Van Phuc silk village in Ha Tay/ DOI, DOSTE, People's Committee)</p>	<ul style="list-style-type: none"> - Formulate guidelines on environmental improvement for craft-making households and communities - Recommend an institutional mechanism to promote environmental improvements at the household/ community level - Improve the environmental conditions of Van Phuc village in a manner that can be replicated in other craft villages ➤ Conduct technical field research (identify all sources of pollution flowing into streams, measure flows in streams, design wastewater treatment system, etc.) ➤ Establish a working group (including DOI, DOSTE, village PC, town PC and Council)* and discuss implementation of technical improvement measures, institutional mechanism
<p>PP7: Strengthening of Management Capacity of Ethnic Minority Craft Villages</p>  <p>(Van Giao weaving village of Khmer minorities in An Giang, Ta La Cao weaving village of Hmong minorities in Lai Chau/ Craft Link, WU, DARD, PC)</p>	<ul style="list-style-type: none"> - Increase management and business skills of ethnic minority producers and develop, together with ethnic minorities, a handbook on the development of crafts - Propose, together with ethnic minorities, an activity plan for handicraft development and promotion - Establish a model of support for ethnic minority craft producers ➤ Conduct training in marketing ➤ Conduct training in embroidery, sewing and design ➤ Monitor literacy classes and bookkeeping systems ➤ Conduct training workshop in Hanoi on making business plans ➤ Conduct market study tours to Lao Cai and Hanoi ➤ Prepare stakeholder seminars in villages
<p>PP8: Craft Village Development Strategy</p>  <p>(Ha Thai lacquer village in Ha Tay, Village No. 8 of rush making in Ninh Binh/ DOI, DARD, Commune People's Committee, Prime Minister's Office, CIEM)</p>	<ul style="list-style-type: none"> - Propose a sustainable and comprehensive village development strategy to improve the living standards of villagers, socio-economic development while considering ecotourism - Recommend policies necessary to implement a craft village's sustainable development strategy - Build a methodology using participatory tools for various stakeholders ➤ Conduct PRA (Participatory Rural Appraisal) training to transfer knowledge on participatory methodologies ➤ Make a situational analysis ➤ Determine development direction, development objectives, and necessary measures ➤ Discuss above items with related provincial government officers ➤ Conduct village meetings and provincial workshops
<p>Vietnam Artisan Craft Competition¹⁾</p>	<ul style="list-style-type: none"> - Make artisan crafts familiar in Vietnamese daily life and to raise the awareness on the need to preserve and develop artisan crafts ➤ Conduct Judging of Artisan Craft Competition

1) Vietnam Artisan Craft Competition was conducted from August 2003 to January 2004 to find a way to promote design and use of Vietnamese crafts in daily life.

Table 1.2.2 Pilot Projects Executing Parties and Target Areas

Pilot Project	Executing Party ¹⁾ (Local Task Managers)	Concerned Agency	Local Government	Project Target Area			Target Items
				District	Commune	Craft Village	
Craft Information System	DAFPPSI of MARD(Mr. Ha Son)	-	DOI & DARD of model provinces	-	-	-	
Craft Cluster Development	Local consultant (Mr. Dinh Van Khoi)	VCA, VARISME, Ha Tay province Art craft school, Quang Nam province vocational school	Ha Tay provincial DOI ²⁾	Thach That	Binh Phu	Thai Hoa	Bamboo/rattan
				Chuong My	Phu Nghia	Phu Vinh	Woodcarving
				Thuong Tin	Ninh So	Xam Duong 3	Woodcarving
				Hoai Duc	Son Dong	Son Dong	Bamboo/rattan
				Thanh Oai	Thanh Thuy	Du Du	Bamboo/rattan
				Thuong Tin	Van Diem	Van Diem	Woodcarving
			Phu Xuyen	Phu Tuc	Luu Thuong	Woven Grass items	
			Quang Nam provincial DARD ²⁾	Duy Xuyen	Duy Son	Tra Kieu	Wood products
				Duy Xuyen	Duy Phuoc	Hamlet 3	Wood products
				Nui Thanh	Nui Thanh	Hamlet 3	Woodcarving
				Tam Ky Town	Tan Phu	Tan Phu	Bamboo/rattan
				Tam Ky Town	Tan Thanh	Phan Boi Chau St.	Bamboo/rattan
	Hoi An	Cam Kim		Kim Bong	Bamboo/rattan		
Local consultant (Ms. Chu Thanh Hang)	Central Sericulture Research Organization (CSRO)	Thai Binh provincial DOI ²⁾ , Commune Women's Union, DOSTE	Kien Xuong	Nam Cao	Nam Cao	Silk products	
Preservation of Traditional Value of Artisan Crafts	Vietnam Museum of Ethnology (Prof. Nguyen Van Huy and reserachers)	-	Bac Ninh province	Gia Binh	Dai Bai	Dai Ba ³⁾	Bronze
			Lai Chau provincial DARD ²⁾	Dien Bien	Nua Ngam	Na Sang II	Lao group's weaving
Establishment of Design Promotion System for Artisan Craft Development	Vietnam Industrial Art University (Mr. Le Huy Van)	VCA, VCCI, NCSSH	-	-	-	-	-
Development of Competitive Products for the International Market ³⁾	Vietnam Industrial Art University (Mr. Pham Hoa and coordinators)	-	Hanoi	Hai Ba Trung		Bach Mai St.	Lacquer ware
			Ha Tay province	Thuong Tin			
			Ha Tay province	Thuong Tin	Nhan Hien	Hien Giang hamlet	Woodcarving
			Ha Tay province	Thuong Tin	Nhan Hien	Hien Giang hamlet	Stone carving
			Nam Dinh province	Y Yen		Lam Town	Bronze
			Bac Ninh province	Gia Binh	Dai Bai	Dai Bai	
Environmental Improvement of Craft Villages	ENTEC (Dr. Phung Chi Sy)	-	Ha Tay province, DOI ²⁾ , DONRE, Town People's Committee	Ha Dong Town		Van Phuc	Silk products
Strengthening of Management Capacity of Ethnic Minority Craft Villages	Craft Link (Ms. Tran Thi Thu Huong)	-	An Giang provincial DOI ²⁾ , Commune Women's Union	Tinh Bien	Van Giao	Van Giao	Khmer group's weaving
			Lai Chau provincial DARD ²⁾ , Commune Women's Union	Tua Chua	Xinh Phinh	Ta La Cao	Hmong group embroidery
Craft Village Development Strategy	Local consultant team (Ms. Nguyen Thi Thanh Tam & Ms. Nguyen Thi Thu Que)	MARD, Government Office, CIEM	Ha Tay provincial DOI ²⁾ , Ninh Binh provincial DARD ²⁾ , Commune People's Committee	Thuong Tin	Duyen Thai	Ha Thai	Lacquer ware
				Kim Son	An Hoa	Village. No 8	Rush
Vietnam Artisan Craft Competition	VACC Secretariat (Mr. Hoang Duc Toan, Dep. of Fine Art, MOCI, etc.)	MARD, MOCI	-	-	-	-	-

Source: JICA Study Team

1) Executing party was a government agency, university, museum, NGO, Vietnamese consultant, etc. who has expertise to handle each pilot project.

2) Refers to provincial governments whose staff participated in the Study as a counterpart.

3) Selected based on human resources, such as existence of master artisans, skilled craftspersons, etc., rather than by area.

2. PILOT PROJECTS

2.1 PP1: Craft Information System

2.1.1 Background

It has become clear from the results of the craft mapping survey that information on the craft sector is generally lacking and access to available information is hard to come by. The following are the negative effects caused by lack of information:

- (a) For producers: Being short of opportunities to develop techniques and designs due to lack of market and design information.
- (b) For distributors: Actual conditions and new product information are not available.
- (c) For consumers: Difficulty in obtaining general information on craft products.
- (d) For administrators: Lack of integrated information on Vietnamese crafts and craft villages and absence of information network to manage the craft sector.

Current conditions and problems faced by the craft villages should be taken into account in government assistance and programs. Aid and assistance will not be effective if there is a lack of information on the craft villages and an absence of an information system.

2.1.2 Objectives and Outcomes

The objectives of the pilot project are: (1) to provide craft information to craft agencies by launching a craft website which the MARD will manage even as it collects craft information, and (2) to establish a network with related agencies and other provincial governments.

- (a) **Creation of the MARD craft website:** Create a Vietnamese craft website that can be shared by producers (i.e. craft households, organizations, enterprises), distributors, consumers, and government bodies.
- (b) **Provision of trainings for technology transfer:** Provide necessary trainings to create and develop the website and improve the management skills of MARD personnel as well as those of related provincial governments.
- (c) **Strengthening of linkages among stakeholders:** Strengthen linkages between the central government level down to the craft village level to attain long-term development thrusts and local promotions, and at the same time propose the craft website information management program for the central government level.

The following are the pilot project's outcomes:

- (a) Launching of craft information website (www.mard-craft.org.vn)
- (b) Proposal for a craft information system.

(c) Creation of Internet and web design training manuals.

2.1.3 Task Force

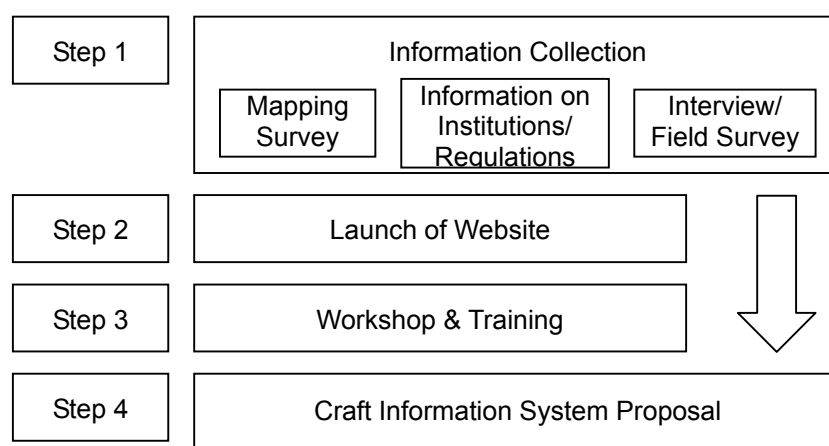
Counterpart: MARD
 Task Manager: Mr. Ha Son
 Local Team: Mr. Nguyen Minh Duc
 Mr. Vu Thanh Trung
 Ms. Duong Huong Lien
 JICA Team: Mr. Naoshi OKAMURA (Systems Engineering)
 Mr. Edlin ROGUEL (Web Design)
 Ms. Tomoko ABE (Information System)

2.1.4 Project Sites and Craft Items

The website covers all 61 provinces and craft villages and includes the 11 craft items, to wit: rush products, lacquerware, bamboo and rattan products, ceramics, embroideries, woven fabrics, woodcrafts, stone carvings, paper products, woodblock prints, and metalwork products. Necessary equipment and technology transfer was provided for the four model provinces, namely: Ha Tay, Quang Nam, An Giang, and Lai Chau.

2.1.5 Implementation Schedule

Figure 2.1.1 PP1 Implementation Schedule



2.1.6 Contents of Activities

1) Major Activities

(a) **Contents of the website:** Collected primary data and information through the National Craft Mapping Survey and interviews with provincial governments, collated secondary data from existing documents and results of field surveys, and integrated all collected data for the website.

(b) **Launch of website:** Disseminated two types of information: (1) outline and

progress of the Study, 2) information for the craft promotion.

- (c) **Provision of training courses:** Trained MARD personnel along with government personnel from the four model provinces in website creation and management. Conducted lectures on Internet and e-mail usage, as well as data collection and management methods, after the required equipment were set up and distributed.
- (d) **Proposal for craft information system:** Formulated a craft information system covering craft information management, governmental assistance on information and communication, administrative system, etc., and discussed it with concerned government officials and agencies.
- (e) **Conduct of seminars:** Conducted seminars to disseminate the website's contents and access among concerned parties, and oriented them with the craft information system.

2) Functions of the Website

The prospective functions of the website were defined based on discussions with the MARD and relevant organizations (see Table 2.1.2).

- (a) To serve as the most comprehensive database of Vietnam's craft sector.
- (b) To facilitate exchange of information among and between the MARD and other stakeholders.
- (c) To disseminate necessary information to central and local governments and the public particularly craft enterprises, craft producers and craftspersons.

Table 2.1.1 Contents of Craft Website

Category	Web Page Title	Available Information
Home	About the Study, pilot projects, organizations and policies, craft news	<ul style="list-style-type: none"> • Comprehensive information on crafts/ craft villages • Progress of MARD-JICA Study
Crafts	Provincial information, craft village information, crafts information, relevant organizations (cooperatives, associations, vocational schools, universities, NGOs, donors, etc.)	<ul style="list-style-type: none"> • Craft related information from national to village level • Situation of craft items and craft villages nationwide
Other Information	Trade fairs, exhibitions, seminars, etc.	<ul style="list-style-type: none"> • Market and activities related to craft sector
Links	Relevant ministries and agencies, VCA, VCCI, Vietrade, NGOs, governmental organizations, etc.	<ul style="list-style-type: none"> • Market information and e-commerce

Source: JICA Study Team

2.1.7 Difficulties and Findings

- (a) **Lack of accumulated information on crafts and villages:** Due to the country's history of military strife and economic hardship, only a limited information on crafts,

particularly traditional crafts, has been documented. Craft workers, even with the country's long history of craft making, are not commonly aware of craft values and traditions. Even government levels have few statistical information and data on the craft villages. Thus, researchers needed to directly go to villages to obtain information and data on the craft villages and the craft industries. Although central and provincial governments have a thorough knowledge of craft villages producing popular crafts that need preservation, information on the rest of the poor villages that require assistance are often not kept updated.

- (b) **Lack of core agency for craft information:** Due to the lack of a core agency for both the public and the private sectors and the lack of communication between craft villages or producers and the central and provincial governments, understanding current conditions is difficult.
- (c) **Insufficient information flow:** Private companies obtain information exclusively from large-scale distribution companies that have networks in the overseas market. A large number of micro, as well as small to medium enterprises that are the anchor of the craft sector lack market access which hinders the delivery of information to the craft households in the rural areas. This and the lack of knowledge on pricing and market values have engendered a situation wherein poor household industries in the rural areas are not being rewarded sufficiently through the benefits of actual market prices.

2.1.8 Impact on Craft Sector

- (a) **Creation of website:** The MARD craft information website was launched in March 2003 as scheduled and it has been updated since then. The website is considered as the MARD's official homepage handling the official dissemination of data on crafts and the craft villages. It is linked to other official sites that specialize in business and market information (e.g. the respective websites of the VCCI, VIETRADE, JETRO, etc.).
- (b) **Communication with model provinces:** In the establishment of the craft information system, technical trainings and necessary equipment were provided to the four model provinces. As a result, Lai Chau province which is located in the isolated mountainous region can now communicate by e-mail where before its only means of linkup with the rest of the country was through telephone.
- (c) **Access to craft villages and craft product information:** Nationwide distribution of the various craft industries can be found on the website through information and data obtained from the mapping survey. Enhancement of the accuracy of data and periodic follow-up surveys would allow governmental agencies and research centers to utilize it as a statistical resource as well as information source on production areas and as a tool for the craft villages to present or send out information.

2.1.9 Lessons Learned

Internet access is disseminated primarily in urban areas. Assistance activities in the field of information technology are limited in rural areas as telecommunications infrastructure still lags behind, particularly in the mountainous region. Information via the Internet should be oriented mainly toward enterprises in urban areas, the overseas market and tourists.

Provision of support in the aspect of information for craft producers and craft villages in rural areas should include not only giving out information but should also cover how information should be used, such as craft producers' need to discern product information on which item is in good demand, where to sell, etc. However, the reality is craft producers and craftspersons lack product development capacities and the social environment to utilize such information. Thus, providing information and opportunities to learn how to use such resources are important for those isolated from both market and information. Finding a group of entrepreneurs or individuals within the village who will become the core of an information collection system and have them start such an effort for wider distribution is desired (see Table 2.1.2) .

Table 2.1.2 Information Support to Craft Villages

Information	Means	External Assistance
Market evaluation of the product (market, price, popularity)	<ul style="list-style-type: none"> Collective information gathering through established local association 	<ul style="list-style-type: none"> Financial assistance from provincial government for local association
	<ul style="list-style-type: none"> Direct distribution between producers and consumers (e.g. Fair trade) 	<ul style="list-style-type: none"> Technical and financial assistance from NGOs and governments for producers' groups
	<ul style="list-style-type: none"> Market research and participation in exhibitions 	<ul style="list-style-type: none"> Market research and holding of exhibitions by provincial governments
	<ul style="list-style-type: none"> Craft-related information collection for websites 	<ul style="list-style-type: none"> Construction of an information and telecommunication infrastructure Conduct IT workshops
	<ul style="list-style-type: none"> Consumer evaluation by tourists in craft villages 	<ul style="list-style-type: none"> Identification of tourist route by provincial government
	<ul style="list-style-type: none"> Establishment of pilot shop in province's principal city 	<ul style="list-style-type: none"> Provision of space for pilot shop Tie-ups with tourism
Similar and unique craft products and nearby craft villages	<ul style="list-style-type: none"> Establishment of local brand and holding of local direct sales 	<ul style="list-style-type: none"> Provincial government financial assistance on local associations
	<ul style="list-style-type: none"> Technical exchange among local producing districts and enterprises 	<ul style="list-style-type: none"> Provision of space and financial assistance for technical exchange

Source: JICA Study Team

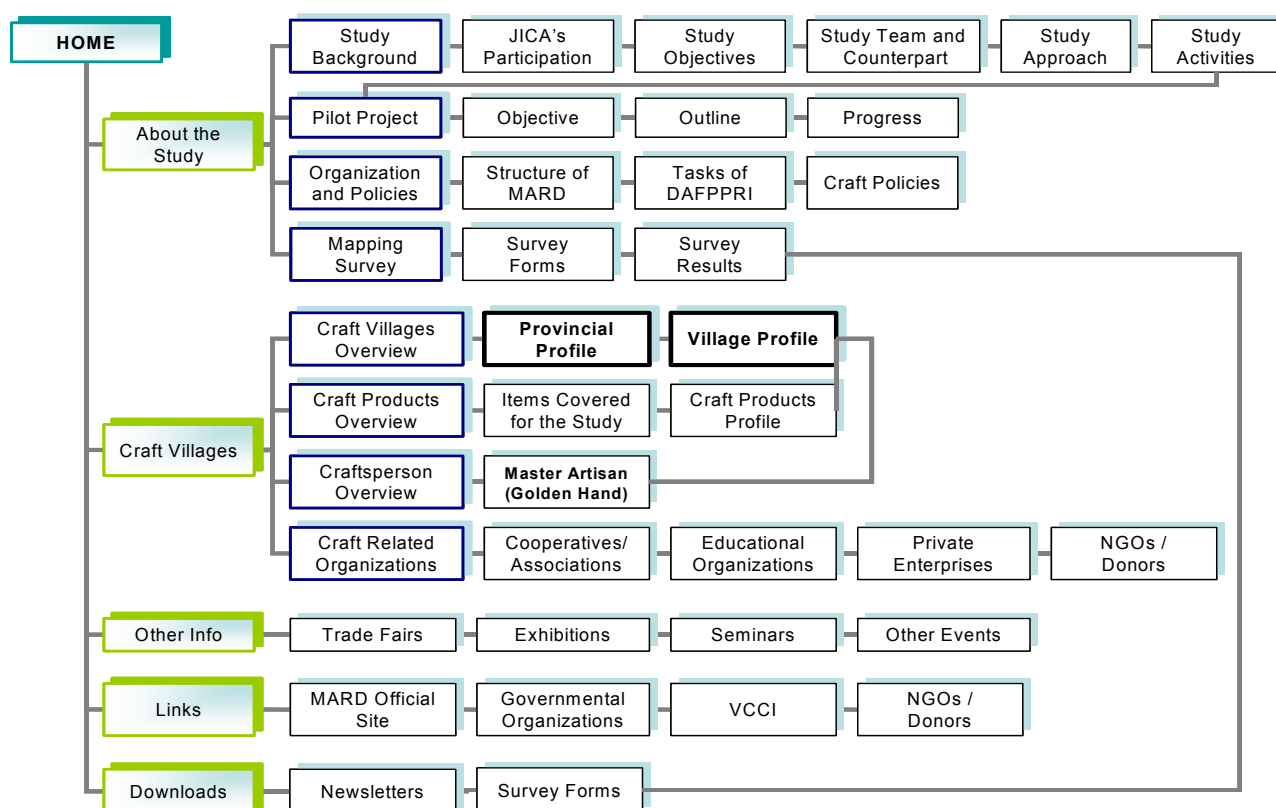
2.1.10 Recommendation to the Master Plan

Craft information is an important crosscutting issue. Once the government entities' level of awareness of issues is increased, the roles of each government unit should be clearly defined. Information related to issues for which each government level is in charge and information required by the private sector and the craft villages should be collected then centrally managed, after which the provision of opportunities on a

regular basis to create new actions using the collected data is recommended. In other words, what is necessary is building the three levels of a craft information system: gathering information, supplying information, utilizing information.

- (a) Provide information along with various assistances (e.g. technical and management training, etc.) and present opportunities to information-isolated craft villages in the rural areas to participate in various activities.
- (b) Provide information at seminars or events to motivate small and medium enterprises and to present opportunities for exchanges.
- (c) For provincial governments, gather local information to promote local industries.
- (d) Establish specific private organizations to address particular issues (e.g. technical training, design, traditional preservation, etc.) and to provide assistance to their activities.
- (e) Establish a craft promotions agency to centralize craft-related information under the umbrella of the Government.

Figure 2.1.2 Structure of MARD Craft Website



Source: JICA Study Team

2.2 PP2: Craft Cluster Development

2.2.1 Background

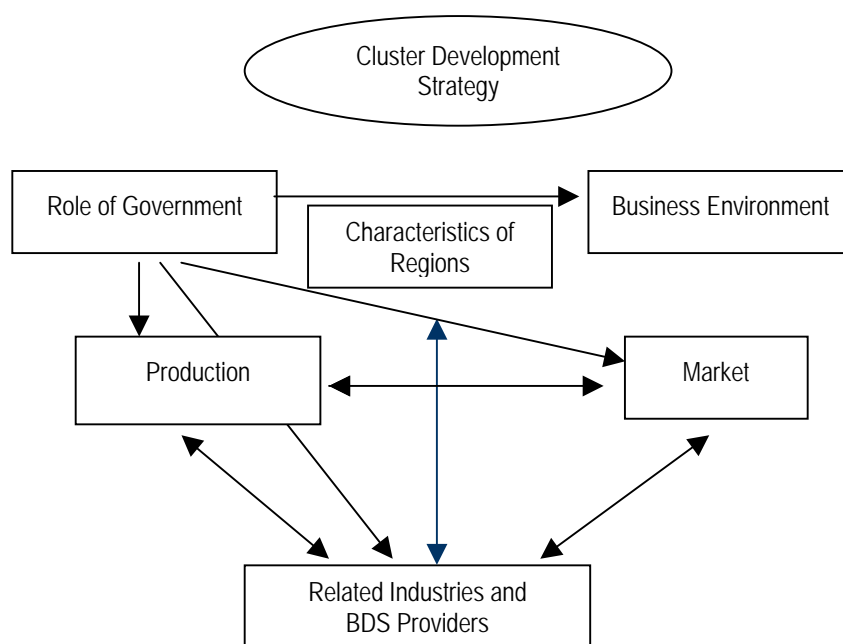
One of the important issues that will boost artisan craft development is how to increase

the competitiveness of Vietnamese crafts. Focus should be placed on the comparative advantages of Vietnam's craft sector, i.e. cheap labor, natural resources, better government incentives, etc., as well as on long-term sustainable competitive advantages. Enhancing the competitive advantages of the country's craft sector requires the following two interrelated factors:

- (a) Collaboration among private and public companies, financial institutions, BDS providers, universities and vocational schools, government (policies and regulations), business and professional associations, and marketing efforts toward a common strategic vision.
- (b) Sector's ability to differentiate and distinguish itself from its competitors.

The establishment of a craft cluster can further enhance the craft industry's competitiveness (see Figure 2.2.1).

Figure 2.2.1 Cluster Development Strategy and its Components



Source: JICA Study Team

The mapping survey revealed that craft villages tend to accumulate near urban areas. The development of craft industry clusters will help ensure competitiveness in the international market and sustainability. Policies on craft development, however, remain unclear, especially at the local level; thus, resources and opportunities are not fully tapped and coordinated. To meet the growing trend where consumers are purchasing hand-made crafts at increasing prices, improving the products will help local craft items measure up to international standards.

2.2.2 Objectives and Outcomes

The main objective of this pilot project is to support selected provincial governments in making development policies, measures and strategies that would promote the development of craft clusters. The main activities of PP2 are: (1) development of

capabilities of managers and craftspersons, (2) formulation of craft cluster development policy and measures to be prepared by the provincial government, and (3) establishment of silk inspection and grading standards. The outcomes are as follows:

- (a) Institutional promotion of activities such as a survey on policies and measures and making policies within local levels, specifically in Ha Tay and Quang Nam.
- (b) Diagnostic program for upgrading management skills and improvement of production management in Ha Tay and Quang Nam.
- (c) Silk inspection and grading standards in Thai Binh.

2.2.3 Task Force

Counterpart:		MARD, DOI of Ha Tay, DARD of Quang Nam, DOI of Thai Binh, VARISME
Task	Ha Tay & Quang Nam	Mr. Dinh Van Khoi
Managers:	Thai Binh	Ms Chu Thanh Hang
	MARD	Ms. Thanh Thi Ngoc Son
Project	Ha Tay	Mr. Nguyen Xuan Chinh, DOI
Managers:	Quang Nam	Mr. Tran Thanh Diep, DARD
	Thai Binh	Mr. Vu Thanh Xuan, DOI
Officers in charge:	Ha Tay	DOI (5), Vocational School (2), VARISME (2)
	Quang Nam	DARD (1), Vocational School (1), Tam Ky town PC (1), Private Enterprise (1)
	Thai Binh	DOI (1), Sericulture Expert (2), Weaving Inspector of WU (2), Private Enterprise (1)
JICA Study Team:	Mr. Kazunori HORIGUCHI	(Industrial Development Strategy/ System Establishment)
	Mr. Kazuteru KURODA	(Improvement of Management Skill)
	Mr. Takeshi FUJITA	(Improvement of Production Process)
	Mr. Nobuaki YOSHIDA	(Silk Products)
	Mr. Hidenari ASAI	(Inspection System)

2.2.4 Project Sites and Craft Items

The target provinces were Ha Tay in the north and Quang Nam in the central region for bamboo/rattan products; and Thai Binh in the north for silk weaving (see Table 2.2.1). The following are the reasons for the selection:

Ha Tay is the model province representing the northern region. It has the largest number of craft villages and its provincial authorities showed a high concern for the promotion of craft development. Although some clusters are in existence, a common understanding of the concept of cluster development has yet to be shared. It was considered that involvement in the pilot project would enhance the efforts in pursuing further cluster development.

Quang Nam, a relatively new province, is the model province representing the central

region. It includes mountainous areas which have a high potential of becoming raw materials supplier for craft production. Furthermore, Hoi An, which has been designated as a World Heritage Site by the UNESCO, is also located in the province contributing to its potential for tourism development. Although the number of craft villages was few and no clusters were found, the province considered craft cluster promotion as important.

Thai Binh province has the second largest number of craft villages after Ha Tay province, and provincial authorities showed high predilection for promoting craft development activities. The coexistence of sericulture, silk reeling and weaving industries, in addition to a branch of the Central Sericulture Research Organization (CSRO) that has the possibilities of technology development, diffusion and buildup on silk products were considered timely and appropriate to implement the project aimed at the quality improvement of silk products.

Also availing is the large number of bamboo and rattan craft villages in Vietnam which are often clustered. Producing woodcrafts requires advanced techniques and the volume of export is large. It was considered that these craft items have large development potentials and could be made more competitive in the international market through this project.

While traditional hand woven silk products are still being produced, the production and export volume of silk products that are mass-produced with the use of machines are increasing. Products are being exported to neighboring countries at cheap prices because of their low quality, partly as a result of poor inspection systems. Enhancement and stabilization of quality are imperative in order to raise international competitiveness. Silk products are considered to have the most improvement with the implementation of this project.

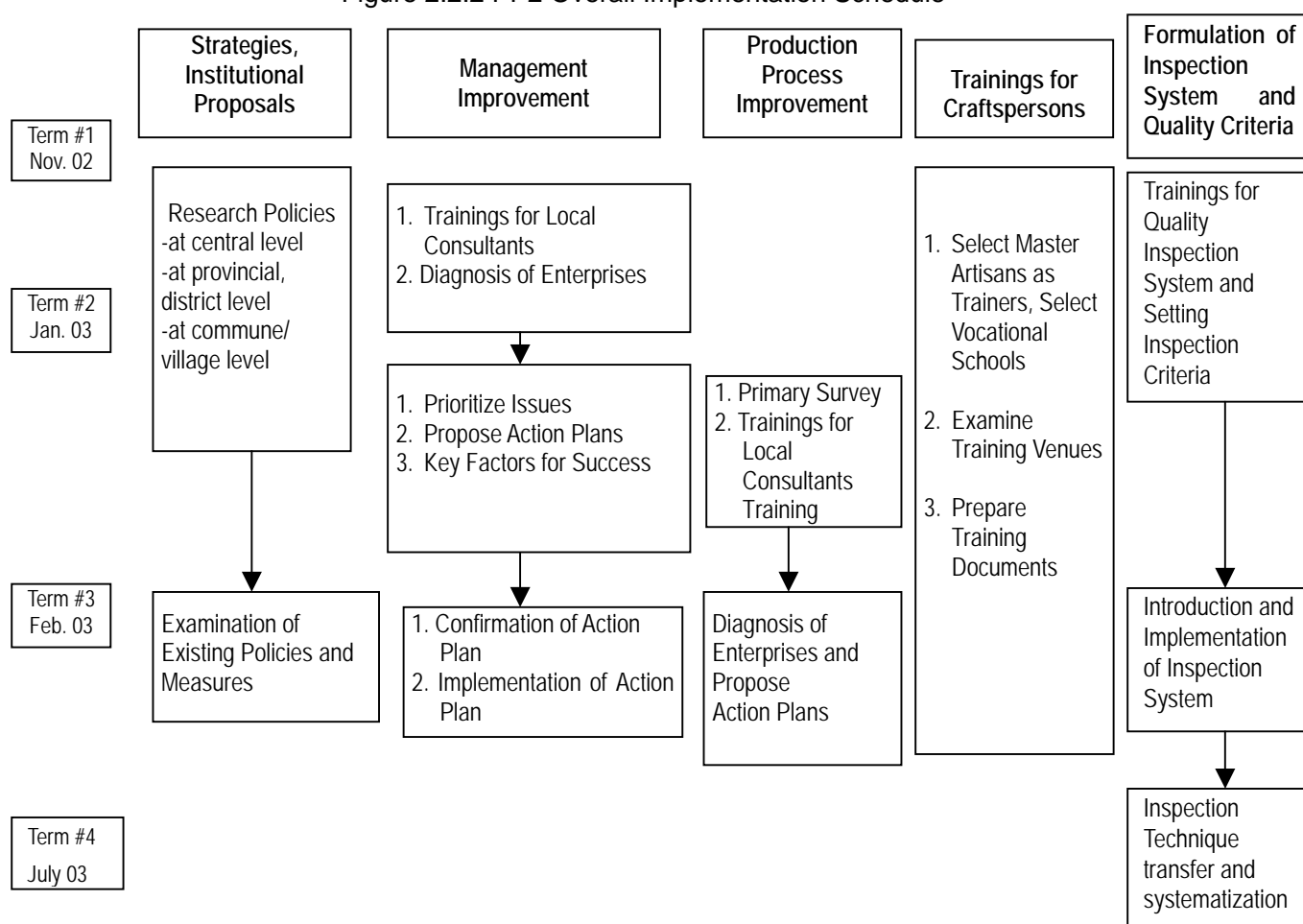
Table 2.2.1 PP2 Project Sites and Craft Items

Province	District	Commune	Craft Village	Craft Item	
Ha Tay	Thach That	Binh Phu	Thai Hoa	Bamboo and rattan products	
	Hoai Duc	Son Dong	Son Dong	Wood carvings	
	Thanh Oai	Thanh Thuy	Du Du	Wood carvings	
	Chuong My	Phu Nghia	Phu Vinh	Bamboo and rattan products	
	Thuong Tin		Ninh So	Xam Duong 3	Bamboo and rattan products
			Van Diem	Van Diem	Wood carvings
Phu Xuyen	Phu Tuc	Luu Thuong	Glasses		
Quang Nam	Tam Ky Town	Tan Phu	Tam Phu	Wood carvings	
		Tan Thanh	Phan Boi Chau St.	Wood carvings	
	Hoi An	Cam Kim	Kim Bong	Woodcarvings	
	Duy Xuyen	Duy Son	Tra Kieu	Bamboo and rattan products	
		Duy Phuoc	Hamlet 3	Bamboo and rattan products	
	Nui Thanh	Nui Thanh	Hamlet 3	Bamboo and rattan products	
Thai Binh	Kien Xuong	Nam Cao	Cao Bat	Silk products	
	Thai Binh	Phu Khanh	Phu Khanh	Silk products	

Source: JICA Study Team

2.2.5 Implementation Schedule

Figure 2.2.2 PP2 Overall Implementation Schedule



2.2.6 Contents of Activities

1) Diagnostic Program for Management and Production Process Improvement

While receiving guidance from two Japanese specialists, provincial officials of Ha Tay and Quang Nam (i.e. DARD/DOI respectively) and the VARISME of Ha Tay visited 13 bamboo and rattan as well as woodcraft enterprises three times to conduct two diagnostic programs over a duration of seven months. The programs are the following:

- (a) Diagnostic Program to Strengthen Business Management Capacities and to Develop Leaders: The proper usage of the radar chart to analyze management skills was taught and recommendations for improvement were made.
- (b) Diagnostic Program to Improve Production Process: Quality and activity analysis, technique training, formulation and implementation of improvement measures for activities and production, and post-implementation guidance were provided using the "5S" activities and the *Akafuda* method¹ (see Figure 2.2.3).

¹ 5S denotes *Seiri* (organizing), *Seiton* (neatness), *Seiso* (cleaning), *Seiketsu* (standardization) and *Shitsuke* (discipline). *Akafuda*, a red tag, is attached on the article that needs to be cleared. These two methods are

Figure 2.2.3 Improvement of Working Conditions (Rattan Cooperative in Quang Nam)



2) Craft Skills Improvement Program

Two training courses for bamboo/rattan and woodcraft were conducted among craftspersons from 19 May to 20 June 2003. Master artisans and experienced artists from Ha Tay and Ha Noi were invited as trainers (see Figure 2.2.4).





Figure 2.2.4 Craft Skills Improvement Program (Quang Nam)



3) Quality Inspection System of Silk Products

Producers and inspectors conducted a joint research on the establishment of grading standards for silk yarn and the training of fabric inspectors. They found a method to improve and inspect quality throughout the four steps involved in silk production (see Table 2.2.2).

Table 2.2.2 Four Steps in Silk Production

	1 st Step	2 nd Step	3 rd Step	4 th Step
Production Process	Cocoon Selection	Cocoon Boiling and Yarn Reeling	Disentangling & Winding	Weaving into Fabric
				
Issue	<ul style="list-style-type: none"> Quality of cocoons varies because they are brought in from different areas. Cocoons have to be sorted to maximize each type's characteristics. 	<ul style="list-style-type: none"> Uneven dye due to water retention. Low yarn quality due to insufficient reeling technology. Uneven and interlacing gap due to insufficient twisting of yarn. Lack of dyeing techniques hinders market development (many complaints from markets). 	<ul style="list-style-type: none"> Problem in dyeing technique causes a lot of complaints from the market. Poor twisting technique may often result in cracked cloth. 	<ul style="list-style-type: none"> No inspection system Low quality evaluation of weaving Distinctive qualities of being handmade are not reflected on the weavings.
Improvement	<ul style="list-style-type: none"> Cocoon grading (A for perfect cocoon, B for twin cocoons, C for cocoons with impurities, D for others) and random inspection of silk reeling factories. 	<ul style="list-style-type: none"> Boiling cocoons: introduction of reeling method using double boilers boiling at low temperatures. Although productivity of this method is 20% less than the single boiler method, yarn quality is stable. Twisting yarn process technology Water management (prevention of uneven dye) 	<ul style="list-style-type: none"> Promotion of technology exchange between Nam Dinh and Ha Nam provinces, where a satisfactory level of twisting quality has been achieved. 	<ul style="list-style-type: none"> Equipment management such as weaving looms, etc.

Source: JICA Study Team

As of September 2003, the DOI of Thai Binh has gone through the procedures of registering quality standards for the province's handmade yellow silk. The procedure for the formulation of quality standards for handmade yellow silk in Thai Binh should be pursuant to the Ordinance on Commodity Product's Quality. And being regional-level quality standards, the former must be issued with a Provincial People's Committee chairman's decision. Formulation of the standards must therefore comply with existing legal measures and Vietnamese laws.

2.2.7 Difficulties and Findings

1) Cluster Analysis

In order to pursue the cluster development strategy, the required factors and characteristics of each craft cluster were reviewed. Strengths and weaknesses that need strengthening were identified during the process (see Table 2.2.3 and 2.2.4).

Table 2.2.3 Cluster Analysis of Craft Sector in Ha Tay

Component	Strength	Weakness
Characteristics of area	<ul style="list-style-type: none"> • Most craft clusters have long history of craft production. • There are many craft producers including craft households. 	<ul style="list-style-type: none"> • Producers are not well organized which prevents them from receiving benefits which organized producers can get.
Production	<ul style="list-style-type: none"> • There are many skilled craftspersons including master artisans. • Most craft products are for export. 	<ul style="list-style-type: none"> • Business administration and quality of production management are poor. • Poor competitiveness on product quality, production cost, delivery time, and product development. • Funding sources are limited and craft industries are not well informed about them which hinders expanding their business. • Production space is limited and located close to living areas which causes environmental pollution posing risks to workers and family members.
Market	<ul style="list-style-type: none"> • Demand is increasing. 	<ul style="list-style-type: none"> • Poor marketing skills in doing market surveys, sales activities, etc. and lack of personnel to monitor market trends. • Low capability for research and development, including creation of new product designs to meet international market needs. • Market information system for craft sector is not yet mature. • Lack of craft cluster information and sales promotion activities as a cluster.
Related industries and BDS providers	<ul style="list-style-type: none"> • Ha Tay province is located near Hanoi and has easy access to a large number of craft-related industries and many BDS providers situated in Hanoi. 	<ul style="list-style-type: none"> • Efforts made by both government in all levels and producers to strengthen linkage with concerned organizations and agencies, and networking with provincial governments are insufficient.

Source: JICA Study Team

Table 2.2.4 Cluster Analysis of Craft Sector in Quang Nam

Component	Strength	Weakness
Characteristics of area	<ul style="list-style-type: none"> • Some clusters of woodcraft villages have long history. • Many tourists visit Hoi An and My Son, World Heritage Sites. 	<ul style="list-style-type: none"> • Number of producers and scale of clustering are small. • Producers are not well organized.
Production	<ul style="list-style-type: none"> • Raw materials are available within the province particularly for bamboo/rattan products. 	<ul style="list-style-type: none"> • Business administration and quality of production management are poor. • Poor competitiveness on product quality, production cost, delivery time and product development. • Despite the fact that product quality heavily relies on quality of raw materials, importance of securing high-quality raw materials is not thoroughly discussed. • In terms of raw materials transport from supply sites to craft producers, many difficulties arise from commune to commune and village to village. • Number of business managers and craftspeople are limited.
Market	<ul style="list-style-type: none"> • Domestic and international demand is increasing. 	<ul style="list-style-type: none"> • Export-oriented craft industry mainly depends on orders placed by traders and buyers in big cities like HCMC and Hanoi. • Poor marketing skills in doing market surveys, sales activities, etc. and lack of personnel to monitor market trends. • Low capability for research and development including creation of new product designs to meet international market needs. • Market information system for craft sector is not yet mature. • Lack of sales promotion activities. • Linkage with tourism cluster is not coordinated well.
Related industries and BDS providers	<ul style="list-style-type: none"> • Quang Nam is near Da Nang. • Craft-related industries and BDS providers in Da Nang are accessible. 	<ul style="list-style-type: none"> • No linkages are established between craft industries in Quang Nam and related industries and BDS providers in Da Nang. • No linkage and network among producers.

Source: JICA Study Team

Figure 2.2.5 Bamboo/Rattan and Woodcraft Production (Ha Tay, Quang Nam)



2) Improvement of Business Management and Production Process

Management consulting was conducted for problem analysis using two methods enumerated below. Knowledge and information were transferred to counterpart personnel of the DOI and the VARISME as well as to managers of enterprises, then action plans were prepared. Counterparts assisted in the implementation of the action plans and in monitoring their progress. Outcomes were evaluated at the conclusion of the project. The two methods are:

- (a) Management analysis (interview of top managers, management data analysis, observation of factories).
- (b) Management checklist (150 questionnaires divided into six management areas; leadership and strategy, accounting and personnel management, sales and marketing, product development, outsource control, and production).

The diagnosis showed common characteristics, strengths, and weaknesses of the target companies (see Table 2.2.5).

3) Silk Products Inspection System

- (a) **Difficulties of silk production in rural areas:** Interviews revealed that farmers involved in sericulture and silk reeling face the following difficulties:

- Although income from mulberry farming is double that from rice farming, the sericulture industry is not as fruitful due to the lack of necessary sericulture technology. There is also a high mortality rate of silkworms just before they spin cocoons.
- The number of sericulture farmers has decreased due to the unstable yield of cocoon production arising from the high mortality rate of silkworms during

infancy and at their pre-spinning stage, as well as the vulnerability of distribution channels.

- Quality of raw silk yarn and textile is poor and they are made without appropriate spinning technology and inspection system. Vietnam is known to have the lowest production cost in the world.

Table 2.2.5 Common Characteristics, Strengths and Weaknesses of Companies

Characteristic	<ul style="list-style-type: none"> • Raw materials-oriented business structure. Efficient raw materials management will improve business. • Subcontracted workers strongly influence quality. • No marketing activities. • Products are exportable.
Strength	<ul style="list-style-type: none"> • Managers eager to improve management system • Low production cost
Weakness	<ul style="list-style-type: none"> • Business administration is not delegated and rests solely on the top manager. No right-hand men. • Insufficient marketing activities. • Defective products • Due to many defective products, considerable time is spent on repairs and remakes. • Long delivery time from the point order is placed. • Workshop space is not maximized. • Unnecessary raw materials and products litter the area. • Lack of safety management.

Source: JICA Study Team

(b) **Absence of data and governing organization:** The major problems of the silk industry in northern Vietnam are: (1) no administration entity is involved since the withdrawal of the VISERI¹ seven years ago; (2) there is no basic industry data; and (3) there are no unified production technology and inspection systems for the sericulture, yarn, and textile industries. It is recommended that each concerned organization should recognize the industry's current condition through the Thai Binh provincial DOI and to consider increasing their involvement in the silk industry. Formulating relevant policies by the central government is also required. The MARD has no unit that is in charge of the industry, according to the Central Sericulture Research Organization (CSRO), which is under the MARD. The CSRO only conducts research and production of silkworm eggs and has no linkage with provinces.

(c) **Lack of technologies for twisting and dyeing:** Although it is a key component in textile production, the technology on twisting and dyeing yarn could not be assessed due to the limited time allowed for the pilot project. In Thai Binh's textile industry, research and development on twisting yarn technology still lag behind. As a result of poor twisting technology produced textiles often have cracks.² Although a number of complaints have been aired from the market, appropriate measures have yet to be taken. Because of these kinks, textiles are exported to Thailand and

¹ Vietnam Sericulture Corporation under MARD

² It is important to promote technology exchange between Nam Dinh and Ha Nam provinces, where enough level of twisting quality has been achieved.

Laos without dyeing. Quality concerns due to poor dyeing technology also impede the development of the domestic market.

- (d) **Improvement of reeling process:** Sericulture technology determines the quality of cocoons, silk yarn and the final quality of the weaving. Improving sericulture technology and unifying cocoon frames are necessary to improve the quality of cocoons. Since sericulture areas are dispersed in each commune and in each province, a long-term approach would be needed for the proper dissemination of technology and standardization of sericulture tools.
- (e) **Cocoon grading:** Screening should be done in a reeling mill when cocoons are delivered. Screening is a time- and cost-consuming process and cocoons should be graded into: A; Perfect, B; Twins, C; Impure, and D; Others. The target is to eventually establish a system that will screen the cocoons at cocoon-producing areas before shipment, thereby allowing reeling mills to carry out sampling inspections only upon receipt of the raw materials.
- (f) **Reeling methods:** Yarn production in northern Vietnam is mainly done through the “Single Boiler High Temperature” and partially through the “Double Boiler Low Temperature” reeling methods. Cocoon inspection is traditionally done at the reeling mills. Inspection and screening are done merely to sort the cocoons into two grades: A / C and B / D. This improper screening method produces bad quality yarn because A-ranked cocoons are not properly used for reeling. The “Single Boiler High Temperature” reeling method also produces bad quality yarn. The water used in reeling, an important factor influencing the dyeing quality of fabrics, is not controlled resulting in uneven dyeing in many cases. Poor twisting technology often produces cracked cloth. The textiles manufactured here are too inferior to be exported to international markets, if viewed from any angle. Northern Vietnam is now merely a basic source of textile materials for Thailand and Laos, where cocoon quality screening is done and the materials are further processed to produce higher value textile products.

2.2.8 Impact on Craft Sector

1) Improvement of Business Management and Production Processes

- (a) **Impact on participating enterprises:** At the completion of the pilot project, the following positive outcomes were found aside from the goals set during the initial project design process on the 13 enterprises and organizations.
 - In total, a 74% increase in proceeds among 13 enterprises and organizations was attained.
 - There was increase in revenues by the lowering of production cost, of which about 10.2% was cut. The improvement of cash flows was also attained
 - Job creation in the craft industries increased by 28.1%.

Diagnosis of and consulting services for enterprises could result in positive impacts

such as increasing sales and job creation. In other words, craft enterprises have the capacities to improve by themselves once they get proper external guidance and instructions. It became clear that developing soft infrastructures through the provision of appropriate information and guidance to managers is as effective as the development of hard infrastructure by the Government.

(b) Effectiveness of guidance on advancement of business management:

Generally, producing and selling traditional craft items are thought to have no place in modern production technologies and management systems. The notion still prevails that in the craft sector technical skills should be kept within family confines. Craft makers still tend to believe that people will buy their items as long as they produce something good, even if losses are incurred in the production or in marketing. However, it's a confirmation that the adoption of modern management techniques and production systems contribute to sales increase, lesser inferior products and revenue increases. As a case in point, 12 of the 13 model enterprises increased their job creation capacity and income level. Their satisfaction level was also quite high with 92% feeling satisfied. Counterparts and their agencies have voiced their intention to independently continue the activities. Thus, the incontrovertible significance of modern business management systems, aided by trainings and consultations in terms of developing the craft sector, creating jobs and increasing incomes, was verified, as well as the need for such modernization.

(c) Evaluation using management checklist: The 13 participating companies improved by 22% in the total average score. They also improved by 25% on scores for "Product Development" and "Outsourcing Control" (see Table 2.2.6).

Table 2.2.6 Management Score "Before" and "After" Pilot Project Implementation

Aspect	Before (%)	After (%)	Improvement (%)
Total Average Scores	52	75	22
Leadership & Strategy	59	79	20
Accounting & Personnel Management	48	71	23
Sales & Marketing	43	66	23
Product Development	54	79	25
Outsourcing Control	59	84	25
Production	55	73	18

Source: JICA Study Team

(d) Sustainable development of craft industries: In addition to the above results, other positive outcomes toward the sustainable development of the craft industries are:

- Development of manuals and textbooks for improving business management and production processes.
- Development of human resources who will act as trainers. The counterparts were satisfied with their capacity improvement and their utilization of the above-mentioned materials, thereby encouraging the notion that they would be able to enhance human resources development.

- Creation of model companies within craft industries. Enterprises share the concepts of “organized and neatly arranged workshops”, “occupational safety”, “showrooms attracting tourists”, etc.
- There was high satisfaction level among the model enterprises on the outcome of the consultations.

2) Inspection System for Silk Products

- (a) **Raw materials quality control:** Quality control techniques and management methods were established at each stage of the silk production process, to wit: cocoon selection, cocoon boiling and yarn reeling, splitting and winding, and weaving. One big reason for the uneven quality of final products is that unsifted materials are used for production, especially since the quality of raw materials used determines the quality of final product. These are brought in from raw materials-producing areas that are often located far from production areas. Skilled techniques do not show on the final materials and market acceptance is evidently low. Income generated at both raw material point and production point is both low, which does not help in identifying the development direction of the markets. Under these conditions, regardless of desires, participants in both the domestic and foreign markets cannot aggressively market the products. Assurance on raw material quality and strengthening of processing technology are necessary to improve product quality.
- (b) **Quality assurance through collaboration among related agencies:** Technical transfer was conducted at every production stage in cooperation with the Women’s Union, the silk factories in craft villages and the CSRO, which possesses quality management know-how on machine-made silk products. Additionally, the establishment of quality standards and registration of an inspection system were achieved by the participation of the DOSTE. In the silk industry, an organization or production association should consist of the following: sericulture, silk reeling and weaving industries, inspection system, and administrators to guarantee that the inspection system is necessary for acceptable product development in the market.

2.2.9 Lessons Learned

1) Improvement of Business Management and Production Processes

- (a) **Effectiveness of guidance in improving business management skills:** What has become clear throughout the pilot project was the necessity and effectiveness of guidance methods and modern business management schemes.
- Management consulting using enterprise diagnosis has become available through local consultants who obtained skills through on-the-job training.
 - An “Action Plan Format” showing three level columns of necessary activities with implementation schedule, indicators, and target/actual figure as indicators was introduced. The format supported the local consultants in the implementation and consultation activities and was utilized as a communication tool between the

consultants and the companies.

- Clear evaluation indicators, including management indicators, achievement rates of the action plans and a “before and after” analysis of the management checklist were set. Therefore, the results of the pilot project were shown clearly.

(b) **Measures corresponding to development stage:** The craft industries could be classified based on their development stages, namely: (1) market-oriented stage (e.g. Ha Tay), and (2) materials-oriented stage (e.g. Quang Nam). Different approaches are required to promote the craft industries as issues vary from enterprise to enterprise (refer to Table 2.2.7).

Table 2.2.7 Examples of Required Policies by Development Stage

	Materials-oriented Stage	Market-oriented Stage
Information provision	Productivity increase	Export market
Consultation	Process improvement	Marketing innovation
Trainings	Household producers	Designers and marketers
Financial assistance	Mechanization	Product development
Tax incentive	Less environmental degradation	New business investment
Technical support	Yield improvement	Range of product line
Joint activities	Marketing	Exporting

Source: JICA Study Team

2) Inspection System for Silk Products

The quality of silk textiles is determined by a combination of sericulture, yarn-making and textile technologies. Issues that need to be addressed are the following:

- (a) Sericulture: poor sericulture technology and absence of cocoon inspection system.
- (b) Yarn making: poor cocoon sorting, no temperature control at the cocoon boiling and yarn processing stages and absence of a raw silk yarn inspection system.
- (c) Weaving textile: poor twisting and dyeing techniques and inadequate non-institutionalized inspection system.
- (d) Without government involvement, evaluation of Vietnamese raw silk yarn in the international market is low and many defects are found.

The pilot project has identified the current conditions of Vietnamese silk industries, i.e., low awareness of industry issues and absence of countermeasures. Through the pilot project, these problems were identified: (1) importance of cocoon inspection, (2) improvement of yarn-making technology to increase reproducibility by using the Double Boiler Temperature reeling method, and (3) necessity of an inspection system to improve market reputation. It is important that governmental agencies support the industries in order to regain opportunities lost in the export of unfinished items to Laos and Thailand due to poor technology and low management capabilities.

2.2.10 Recommendations to the Master Plan

- 1) Improvement of Business Management and Production Processes

Proposed actions for improvement: Collaborations between provincial governments such as the DOI and enterprises are necessary to improve business management and enhance production processes (see Table 2.2.8).

Table 2.2.8 Proposed Actions to Improve Business Management and Production Processes

Area	Proposed Action	Implementing Body
General	Promotion of the outcomes for model companies: improvement of business management and production process of craft enterprises and organizations.	DOI, enterprises
	Utilization of consultation methods (analysis, action plan and monitoring, evaluation, questionnaire and format)	Enterprises
	Utilization of created textbooks and manuals	Enterprises
	Establishment of an organization to implement consulting services for craft industries and provision of continuous consulting services.	Provincial government, donors (developing BDS provider)
	Product development in cooperation with different craft industries such as silk, ceramics, etc.	Enterprises
	Expansion of market by linking with tourism industry	Provincial government
Ha Tay	Deregulation including land use and other areas, establishment of industrial zones for the craft industries.	Provincial governments
	Provision of various trainings including business management, marketing, design for craft industries.	Private sector, donor support
Quang Nam	Assistance in ensuring stable supply of raw materials (implementation of plantations of wood, rattan/bamboo, etc., financial assistance for plantation companies).	Central and provincial governments
	Conduct of business management training and production skills training for the craft industries.	Private sector, donor support

Source: JICA Study Team

- (a) **Assistance in strengthening management of craft enterprises:** At the company level, modern management techniques should contribute in improving sales, quality and cash flow. Increase in employment and incomes is anticipated at local levels following the development of the enterprises. At the national level, the expansion of exports should contribute to the increase in foreign currency earnings since exported Vietnamese craft items are made from local raw materials.
- (b) **Establishment of BDS organizations:** Establishment of a BDS agency or a department within the MARD or the DOI to promote the craft sector is anticipated (see Table 2.2.9).

The BDS agency or department is expected to provide consulting services and human resources development in several fields to Ha Tay and Quang Nam (see Table 2.2.10).

- (c) **Promoting deregulation for craft industry development:** For the smooth and unfettered growth of enterprises, infrastructure must develop at the same pace. Otherwise, inadequate infrastructure would become an adverse factor to growth. The long waiting time in obtaining factory-building permit, too much red tape in administrative agencies are some of the administrative setbacks in the promotion of craft sector. The MARD, the DARD and other agencies should speed up the bureaucratic procedures in terms of issuing permits for business activities. The

establishment of a Craft Consultation Bureau may be considered to collect information from enterprises to analyze how existing regulations hinder healthy self-active development of enterprises and so as to take necessary actions for the formulation of prompt and appropriate countermeasures.

Table 2.2.9 Establishment of BDS Organizations

Agency	Task	Organization
Craft Promotion Center	<ul style="list-style-type: none"> Collect information on craft companies in the region and make information available to the public. Conduct business match between customers/dealers and craft companies. Hold, co-host exhibitions/fairs and disseminate information on exhibition/fairs hosted by other organizations. Promote brand image of production areas. Conduct general promotions activities, including developing a homepage. 	<ul style="list-style-type: none"> It is more desirable if representatives of craft companies take the initiative. It is better if they form the organization by themselves. 3-5 permanent staff should be allocated from the local government and member companies. The operating cost should be covered mainly by subsidy from the government, while some income might come from the membership fees and own business activities.
Craft Training and Consulting Services Department within provincial governments	<ul style="list-style-type: none"> Support management improvement of local craft industries. Develop management and technical skills of human resources. 	<ul style="list-style-type: none"> 3-5 permanent staff should be allocated to the department from DARD or DOI. Training should be implemented in cooperation with VARISME, Vocational Training Institute, and other related organizations. Operating cost is to be covered by government subsidy and the training/consultation fees.

Source: JICA Study Team

Table 2.2.10 Level of Need for Consulting Services and Human Resources Development

Field	Ha Tay province	Quang Nam province
Management strategy	High	Medium
Exporting	High	Low
Sales	High	Medium
Product design	High	Medium
Production skills	Medium	High

Source: JICA Study Team

2) Silk Products Inspection system

As of year 2003, the silk industry in northern Vietnam was estimated to approximately have 80,000 households engaged in sericulture. Silk yarn and textile industries approximately had 8,000 and 30,000 workers, respectively. Dramatic increases in the domestic and export markets are expected if the proper inspection system is implemented (see Table 2.2.11). Such prospects are conditional upon the following: opening of a CSRO branch office in each province, promotion of technologies in cooperation with sericulture farmers' union and factory workers' union, and

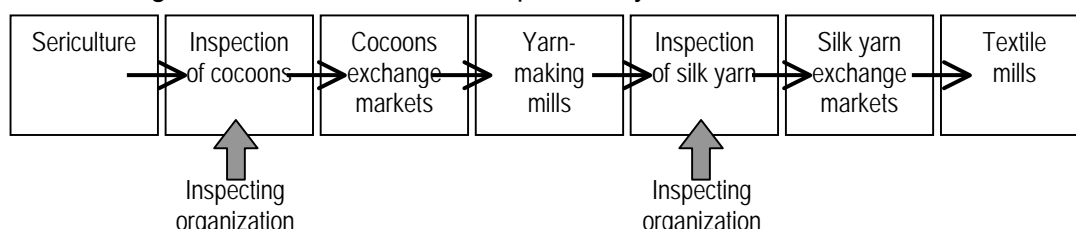
development of an inspection system independent of the production association (see Figure 2.2.6). Supposing that the fixed cost for this association is 5% of the sales price, when the sales price increased by 20% and production volume significantly increased, benefits will be generated. In addition, the organization of a national cocoon producers' association as an operating body by 2005 should be an aim.

Table 2.2.11 Growth Forecast for Northern Silk Industry

	2003	2004	2010
Production volume of cocoon (t)	16,500	20,000	50,000
Production volume of raw silk yarn (t)	1,650	2,000	5,000
Number of sericulture farmers	80,000	100,000	250,000
Number of silk yarn workers	8,000	10,000	25,000
Number of textile workers	30,000	40,000	100,000

Source: JICA Study Team

Figure 2.2.6 Distribution and Inspection System for Silk Products



Source: JICA Study Team

- (a) **Raw materials supply system:** Processing time for making yarn from fresh cocoon must be completed within two weeks. The sericulture period in northern Vietnam is from March to December. Cocoons can be produced in southern Vietnam on a year-long basis which makes seasonal adjustment in the cocoon supply manageable. Most sericulture farmers are located in the mountainous region and are far from reeling mills. The establishment of a year-round raw materials supply system and a dry storage facility where fresh cocoons can be stored for long periods at reeling mills are both necessary.
- (b) **Distribution system for quality improvement:** Revenues in the silk industries is disproportionately allocated, with the textile businesses being better off and the sericulture farmers and yarn makers comparatively worst off. The following are recommended measures in order to increase farmers' and yarn makers' revenue and to stabilize the production volume of cocoons and raw silk yarn:
- Establish a national-level cooperative that will buy cocoons from cocoon farmers for sale to yarn producers, who will in turn sell these in the market. The cooperative will immediately pay the cocoon farmers for the supplies, while the yarn producers will be given a two-month period to pay the cooperative.
 - Establish an accreditation system for silk reeling factories and employ only accredited factories that meet technical and management standards.

- (c) **Role sharing among central government entities:** Although involvement of the five ministries, namely, the MARD, MOI, MOST, MoTrade, and the MOR, is required in the silk products inspection system, relevant measures and policies should be integrated (see Table 2.2.12) A common policy should be made at the provincial level.

Table 2.2.12 Responsibility of Central Government for Silk Products

Central Government	Responsibility
MARD and CSRO	Develop sericulture and processing technologies
MOI	Support inspection system
MOST	Export inspection system
MoTrade	Apply export inspection system on international trade
MOF	Take final responsibility for export at the customs

Source: JICA Study Team

- (d) **Establishment of silk industry association:** Establishment of national cocoon producers' association to help stabilize raw materials supply of quality cocoons and silk yarn is recommended.
- (e) **Market:** Establishment of cocoon and yarn exchange markets to set appropriate pricing systems that match their quality is recommended.
- (f) **Linkage with other production areas for improvement:** Although twisted yarn volume is in short supply in Thai Binh province, adequate amounts are processed in nearby Nam Dinh and Ha Nam provinces. These provinces have many cotton spinning factories and dyeing technicians. Exchanging human resources among regions or factories can address the issue of lack of technical skills.
- (g) **Establishment of a technical training center:** To improve cocoon productivity and quality will require the establishment of a technical training center in each province.
- (h) **Expansion of CSRO:** Creating a technology research center to develop technologies for yarns and dyes, and for twisting and refining raw silk yarn as well as drawing up of anti-pollution measures is recommended.
- (i) **Collaboration with retail shops:** Market development should start with the domestic market and the revitalization of *ao dai* silk. Cooperation with retailers in Hanoi and Ho Chi Minh will help achieve this. A nationwide campaign for inspected Vietnamese silk may help in the development of the domestic and tourist markets. The establishment of permanent exhibition halls for the international market in Hanoi and HCMC where designers, engineers and entrepreneurs can consult each other for business negotiations will also be significant.

2.3 PP3: Preservation of Traditional Values of Artisan Crafts

2.3.1 Background

Although Vietnam has a rich tradition of craft making, its value to society is little understood. Today information is not shared among research institutions, museums,

universities, and organizations on ideas and conservation concerns. Nor has information been shared with government policy makers. By identifying and preserving original crafts and craft skills, the artisan craft sector will be enriched, competitiveness can be fostered among master artisans and Vietnam can retain its pride in a valuable heritage.

2.3.2 Objectives and Outcomes

This pilot project aimed to work out a new research approach on the cultural aspects of craft items and to re-identify their traditional values. The photos and interviews with villager-photographers will be helpful in improving people's awareness of and knowledge on the preservation and development of the traditional crafts and the craft villages.

- (a) **Identification of traditional values of Vietnam's artisan crafts:** To identify traditional values of craft products in craft villages through a method called "Photovoice", in which craftspeople were encouraged to take photos of their work, the village, the craft industry, etc. and share their views about them through craftspeople-to-craftspeople as well as researcher-to-craftspeople dialogues and interviews.
- (b) **Preparation of guidelines on documentation:** To collect the photos taken by villagers, conduct interviews and find out the traditional values of the crafts and craft workers' concerns on preservation and development. A model research document on crafts was prepared to assist policy makers to develop the craft sector in line with the preservation of traditional values of the craft villages.

Outputs of this pilot project are the following:

- (a) Guidelines on research and documentation methodology
- (b) Craft village profile
- (c) Photos on and list of traditional crafts in craft villages

2.3.3 Task Force

Task Manager:	Prof. Nguyen Van Huy	(Director, Vietnam Museum of Ethnology)
MARD counterpart:	Mr. Nguyen Manh Dung	
Local Team:	Lai Chau	Ms. Vo Mai Phuong (Researcher 1, VME)
		Mr. Pham Minh Phuc (Researcher 2, VME)
	Bac Ninh	Mr. Le Anh Hoa (Researcher 3, VME)
		Mr. Vu Hong Thuat (Researcher 4, VME)
	Technical support	Mr. Doan Bao Chau (Photography trainer)
		Mr. Frank Proschan (Anthropologist)
JICA Team	Ms. Claire BURKERT	

2.3.4 Project Sites and Craft Items

Table 2.3.1 PP3 Project Sites and Craft Items

Province	District	Commune	Village	Craft Item
Bac Ninh	Gia Binh	Dai Bai	Dai Bai	Bronze casting
Lai Chau	Dien Bien	Nua Ngam	Na Sang II	Woven fabrics (Lao minorities)

2.3.5 Implementation Schedule

Table 2.3.2 PP3 Overall Implementation Schedule

Nov. 2002	1	Work on research methodology and selection of project sites
Dec. 2002	2	Meeting among consultants
	3	Training in photography
	4	Formulation of monthly working plan
Jul. 2002	5	Photo taking based on themes and conduct of workshops
Sep. 2002	6	Conduct of seminar and photo exhibition

2.3.6 Contents of Activities

- (a) **Work on research methodology:** Until now, information on Vietnam's craft industries has mostly been compiled by researchers or journalists and not by the craftspeople themselves. In the case of ethnic minorities, they usually have been the subjects of researches or studies rather than as a major conductor of the research itself. The method known as "Photovoice" was used for this pilot project to facilitate the villagers' participation. A trainer-photographer trained the villager-photographers in taking different types of photos. This methodology creatively combined the inherent knowledge of the local people with the guidance of professional researchers. It created a model for future researches on crafts, with the principle that research should include the active participation of the people who are most knowledgeable about the sector.
- (b) **Selection of project sites:** Research teams surveyed villages in several districts of Lai Chau to locate ethnic minority villages. Kinh villages known for traditional crafts were visited in Ha Tay and Bac Ninh provinces. The criteria used in the selection of the villages are the following:

Table 2.3.3 Criteria for Selecting Target Villages

1)	The village had a variety of crafts.
2)	Artisans had fine skills.
3)	Village has conservation and restoration problems.
4)	Local authorities were supportive.
5)	The village was accessible by road.

Source: JICA Study Team

Dai Bai village in Bac Ninh province has a long tradition of traditional bronze casting. It holds a yearly grand festival to honor the ancestors of their craft. This village has the characteristics of a traditional Kinh craft village. They had to move some of their craft-making activities to the rice fields because of growing pollution and noise.

Na Sang II village in Lai Chau province has a long tradition of mat weaving. Although the tradition is waning, their skills and knowledge remain alive. This Lao village is relatively not well known and their products are developed only for domestic consumption.

- (c) **Training in photography:** Research teams held the first workshop on research methodology and on preparations for project implementation and carried out a training class for the designated local photographers, which included 18 individuals from Dai Bai village, and 20 individuals from Na Sang II village.
- (d) **Survey and research with photographs:** Research teams visited the target villages once a month to get comments from the villagers concerning the photographs that were taken. Researchers interviewed the photographers and other villagers (including master artisans and young artisans) on many things such as the traditional meaning of their craft, changes, etc. Following these interviews, the researchers also made their own photo documentation and notes. After each trip, transcription of the interviews, photo albums and monthly reports were prepared.
- (e) **Sorting of photos and information:** Collected photos were classified according to theme (see Table 2.3.4).

Table 2.3.4 Themes of Photos in Craft Villages

Dai Bai village (bronze casting)	(1) Preservation of Dai Bai village's traditional culture; (2) Dai Bai village's history; (3) Production tools and process from material sourcing, (4) From processing to finished products; Labor and gender distribution; (5) Use of craft items in daily life; (6) Changes in craft-making techniques; (7) Consumers; and (8) Environmental and health issues
Na Sang II village (ethnic woven fabrics)	(1) Preservation of traditional culture; (2) Craft production processes; (3) Labor distribution and professions; (4) Materials processing; (5) Use of craft items; (6) Markets and changes in craft-making techniques; and (7) Tools and designs in the village

Source: JICA Study Team

Figure 2.3.1 Photos Taken by Villagers of Craft Making and Interviews



2.3.7 Difficulties and Findings

(a) **Difficulties Faced by Traditional Craft Villages:** “Photovoice” is a new method of recording the important aspects of the people’s lives in the craft villages such as concerns on values and relevant issues the craft villages were facing. It allowed villagers to express their feelings toward traditional and cultural values and issues through photos and dialogues with researchers (see Table 2.3.5). It also allowed government authorities to come up with better or appropriate support and measures by learning actual conditions in the craft villages.

Table 2.3.5 Issues in Traditional Craft Villages

Vanishing traditional value	<ul style="list-style-type: none"> • During the interviews on the photos taken by craftspersons, precious folk knowledge on craft making that previous studies failed to mention or mentioned fleetingly were unearthed. Important information that today is in danger of disappearing. • Folk experiences were mostly synthesized by old master artisans who are no longer involved in craft making. Some of them have transferred their knowledge to their children and relatives, while some have shifted to other, probably, more profitable livelihoods, resulting in the gradual disappearance of such precious knowledge. • Most of the motifs of woven ethnic fabrics were based on a cultural or religious story or myth or about the local people. However, there were motifs that the current batch of craftspersons did not know how to produce because they did not have a chance to learn from the previous generation of artisans.
Gap between rich and poor	<ul style="list-style-type: none"> • Better-off households have invested in new machineries, expanded production sites, hired laborers, and accounted for a big share of the market. • Poorer households have seasonal production, low incomes and can only provide limited education to their children, who usually finish secondary education only and then go back home to pursue craft making.
Environmental impact and health hazards	<ul style="list-style-type: none"> • Craftspersons suffer from pulmonary tuberculosis and bone calcification, among others, due to the inhalation of hazardous gases containing lead, zinc, aluminium, bronze, sulphur, and CO₂ from coal, overwork, confined production sites, etc. • The preservation and development of traditional crafts must be closely integrated with a sustainable environmental protection plan to prevent acid-containing substances, hazardous gases from materials cooking, wastewater and garbage, etc. from flowing into the village’s sewers and ponds, degrading the environment as well as spoiling the village’s appearance. • Because of exhausted raw materials, craft villages cannot produce craft products in a sustainable manner. A sustainable raw materials supply plan is needed.

Source: JICA Study Team

(b) **Advantages and Disadvantages of Photovoice:** Advantages and disadvantages of the Photovoice participatory approach method are summarized in Table 2.3.6.

Table 2.3.6 Advantages and Disadvantages of Photovoice

<p>Advantage</p>	<ul style="list-style-type: none"> • Villagers were able to gather broad information quickly. • The positions of researcher and informant were equal. • In addition to the research objective, which was to find out traditional values of crafts, problems the communities were facing such as environment, health matters caused by changes in craft production also arose. • Community involvement and awareness were raised through this “hands-on” approach. • Awareness of importance of conserving traditional values increased.¹⁾ • Photos taken were used effectively for exhibit and publication, and also demonstrated how “Photovoice” contributed in promoting traditional craft villages and the promotion of crafts. • Outcomes can be enhanced by experienced researchers by conducting further research. • Craft villages could promote their crafts with the cooperation and assistance of research institutions.
<p>Disadvantage</p>	<ul style="list-style-type: none"> • Many villagers were too busy with farm work to participate in the study. • Interviews were not sufficiently conducted as many ethnic minorities do not speak Vietnamese and were not used to contact with strangers.²⁾ • Informants were mostly young women who speak Vietnamese. • Villages did not remember or did not have access to some important historical information. • Often photos taken by villages were not sufficient due to the lack of techniques and the similarity of photos was high. • In some cases, researchers had to reinforce or collect further information because some information given by informants was not entirely reliable, while some explanations were incomplete. • High costs were involved with photo shoots. • Archiving photos and logging taped interviews were time consuming.³⁾

Source: JICA Study Team

1) Villagers in Lao village became interested in the revitalization of natural dyeing.

2) Although young women who speak Vietnamese were the main informers, Lao participants relatively did not hesitate to make contact with strangers.

3) Researchers stayed about two weeks per month to interview villagers.

2.3.8 Impact on Craft Sector

The traditional values of Vietnamese artisan crafts were revealed through the Photovoice participatory research method not only by specialists and professional researcher but more significantly by the villagers themselves through their photo documentation. Following are the various impacts made on concerned administrators, the public, communities and sectors other than craft.

(a) **Impact on policy makers:** Photovoice provided an opportunity for policy makers to understand what issues needed to be addressed through the photo documentation and results of the collected interviews. Basically, the method delivered the message of the necessity of conservation by villagers, as well as health and environmental concerns.

(b) **Conservation and utilization of cultural assets:** Intangible cultural assets in the areas and the whole province were captured by the Photovoice. Seminars and exhibitions of the Photovoice outcomes were conducted at community centers in

the target craft villages as well as in the Vietnam Museum of Ethnology² which gave opportunities for showcasing the results to a number of tourists. In Lai Chau province, the Photovoice panels will be donated to Dien Bien Phu museum located in the provincial capital.

- (c) **Economic development:** A number of tourists who saw the Photovoice documentation visited the target craft villages. Since the craftsmen have become more knowledgeable about their tradition and their craft as a result of their participation in the Photovoice, they were able to explain the history of their crafts or the Photovoice panels which greatly helped tourists and consumers to understand the history and values of their crafts. Na Sang II village in Lai Chau province in particular has been designated as a tourism development area. Photovoice contributed in increasing incomes and promoting tourism.
- (d) **Education:** Inheritance of traditional values has been an issue in the craft sector. Photovoice provided an opportunity for younger generations to understand their village's values either by participating in the project, viewing the exhibits, etc. As for researchers, they obtained further understanding of village histories while assisting in the documentation of craft villages and crafts.

Figure 2.3.2 Display of Photovoice Panels in Craft Villages



2.3.9 Lessons Learned

The following are the lessons learned from pilot project implementation:

- (a) **Importance of communication building with community:** Understanding and cooperation of master artisans, commune and village authorities were vital in the conduct of studies and researches on craft villages. Without their cooperation and interest, actual research in the villages would have been quite difficult. It was important to hold a village meeting at the commencement of the project to explain project objectives and method. Progress reports were also done at the periodic meetings. Radio broadcasts could also be effective in increasing the awareness of villagers.

² The exhibition was from 27 September 2003 for one month and seminar and demonstrations were performed by craftsmen from target villages.

- (b) **Manifold study objectives:** Project objectives must be well understood by the research institution, government counterparts, and villagers. The objectives were manifold including documentation of traditional and contemporary craft products and their production processes, identification of challenges faced by the artisan community and the status of traditional values in the onslaught of modernity.
- (c) **Collaboration with research institutions:** This project proceeded with the Vietnam Museum of Ethnology acting as an operational body. Collaboration with specialized research institutions helped ensure analysis and archiving of project data.
- (d) **Importance of background research:** Prior to conducting any participatory research method like Photovoice, it was important to first understand the background of the village and to build good relationships with the local people. Researchers were required to understand the overall picture of the crafts, culture and ethnicities. Based on prerequisite knowledge, project focus was narrowed down helping proper evaluation through interview responses.
- (e) **Selection of project site:** Various forms of craft productions exist in craft villages in Vietnam and this necessitates the need to document these valuable traditions before they completely vanish. For instance, some villages in remote areas are producing crafts to maintain their traditional livelihoods, as they cannot purchase commodities from the market. Craft traditions are strongly rooted and maintained in those areas. If the project objective is to document traditional values, villages that have maintained such craft production activities or those that still remember their traditional practices needed to be chosen. Researchers are required to identify such villages with the cooperation of local governments. In this pilot project, the Lao village engaged in weaving was easier to pursue with the use of the Photovoice project while Dai Bai village proved more difficult to make an impact in such short notice as other kinds of crafts and techniques were present in the village other the target craft of bronze casting. The scale of the village was also much larger. Furthermore, the camera was quite a new and interesting implement for the Lao villagers, whereas for the Kinh people in Dai Bai, who were already familiar with it, the camera was shorn of its mysterious effect on the villagers.
- (f) **Allocation of appropriate study period:** This form of participatory research method requires a minimum one-year study period. The first few months should be spent by researchers studying about cultural background and craft techniques in the village. Thorough understanding of villagers' lives and their lifestyle is necessary prior to the introduction of the camera.
- (g) **Building a trustful Museum-village relationship:** Any research institution involved in the project should be mindful enough to introduce itself to the villagers who may not have prior understanding of its activities or function.
- (h) **Selection of participants:** Participants should be carefully selected on the basis of their keen interest to participate, their availability and knowledge of the project subject.

2.3.10 Recommendations to the Master Plan

- (a) **Documentation at provincial level:** Promotion of documentation on craft traditions and current standing at provincial level is recommended. It may be undertaken effectively through Photovoice by research institutions.
- (b) **Documentation at national level:** It is also necessary to document craft products in craft villages on a nationwide scale.
- (c) **Strengthening of community-Museum relationship:** Linkage developed through documentation activities between community and museum can bring about exhibitions and publications as short-term outcomes. Impacts on the conservation of village traditions and craft promotion are the long-term outcomes.
- (d) **Promotion of publications:** Promotion of publications on activity records and craft productions in the craft villages is recommended. Such publications may be sold or displayed at tourism information centers and exhibitions.
- (e) **Utilization of Photovoice:** The Photovoice method may be used as a basis for craft preservation programs or eco-tourism projects. It could also be a useful channel for establishing dialogues between craft producers and concerned government authorities.
- (f) **Exhibitions:** Exhibiting the outcomes of Photovoice and other documentation in different communities may contribute in stimulating interest and pride on the need to conserve valuable traditions.

2.4 PP4: Establishment of Design Promotion System for Artisan Craft Development

2.4.1 Background

The concept of product design is not only limited to simple external or physical feature or the creation of satisfactory aesthetic inputs but also includes the cultural aspect of the product. A common appreciation, especially of the cultural and social aspects of product design, does not accurately prevail and is not recognized and understood by stakeholders in the craft sector. Therefore, in view of design promotion, it is very important to establish a definitive social aspect to support design promotion, one that is based on a common understanding of the concept of design.

2.4.2 Objectives and Outcomes

The objective of the project is not limited to effective design promotion activities such as seminars, workshops or training courses, but also to propose the establishment of a social concept that can provide a sustainable support mechanism for design promotion, with each promotion activity and integral component of the system working hand in hand. The project objectives are summarized as follows:

- (a) **Understanding of design:** Designing tends to be considered as an independent

activity of the designer. But actually, design is created as a result of a social environment with many sector players, e.g. entrepreneurs, educational organizations, governmental organizations, consumers, etc. These players interact and act out their respective roles, their actions contributing to engender a particular design on a particular product or item. To help in the understanding of the complexity of design, a common understanding of it is necessary and this requires the creation of a system to help facilitate this understanding. The development of such design system is one of the objectives of the project and it is expected that it will play an active role in the design promotion in Vietnam.

- (b) **Development of design promotion system in Vietnam:** Based on the understanding of design, a social system of design promotion is developed where organizations are properly associated. This system will help promote design activities in Vietnam. This system will help promote design activities in Vietnam.
- (c) **Implementation of concrete activities:** New programs and activities that can enhance design promotion should be undertaken by the Vietnamese themselves. These programs can further help them understand the concrete process of design development.

The outputs are as follows:

- (a) **Design guidebook:** In order to understand design, a design guidebook was published.
- (b) **Proposal on design promotion system:** A proposal on design promotion system in Vietnam was likewise prepared.

2.4.3 Task Force

Task Manager: Mr. Le Huy Van (Deputy Director, Hanoi College of Industrial Design)
Local Team: Mr. Dinh Manh Hung (Deputy Manager, SMEPC, VCCI)
Mr. Vu Nham (Head of Applied Art Department, Hanoi Fine Art College)
Dr. Ho Hoang Hoa (Japanese Studies Institute, NCSSH)
Mr. Nguyen Loi (Ceramic Producer)
Mr. Le Thanh Binh (Designer, Tre Viet Company)
JICA Team: Mr. Hisaya SHIMIZU

2.4.4 Project Sites and Craft Items

Since the pilot project covered the whole of Vietnam and all craft products, no specific focus on any site or craft item was given.

The pilot project aimed to develop linkages with concerned government ministries and agencies to seek institutional assistance on design promotion and establishment of organizations especially those providing craft production training such as the Hanoi College of Industrial Design, cooperatives, etc. This is significant since design concepts and activities related to crafts have yet to take root in Vietnam.

2.4.5 Implementation Schedule

Table 2.4.1 PP4 Overall Implementation Schedule

	Design Promotion System	Design Concept	Design Promotion Activities
November 2002 – January 2003	Find issues and propose the design promotion system		
February 2003	Conduct workshop	Define “design” and write “design guidebook”	Plan experimental program
March – June 2003	Finalize proposal		Implement experimental program
July 2003	Conduct seminars in Hanoi and HCMC		Hold entrepreneurs’ seminar
September 2003	Discuss design promotion system among stakeholders		

2.4.6 Contents of Activities

- (a) **Proposal for creating a design promotion system:** Design-related information materials were collected during the first site survey. Prior to the second site survey, a research on actual design promotion practices in Japan was conducted and some promotional examples were sought. This has been the basis for the formulation of the initial concept of design promotion system in Vietnam. This initial concept was presented in a workshop held in Hanoi on 22 February 2003 at the Hanoi College of Industrial Design. Approximately 30 people participated from the local team members and other individuals related with design works.
- (b) **Experimental program:** After the workshop in February, an experimental program plan was prepared in Hanoi by the JICA Study Team and the local team members. The objectives of the design development plan were to identify the needs of consumers by studying consumer lifestyles and to give concerned Vietnamese design parties the opportunity to experience this process.
- (c) **Design guidebook:** With a Japanese design guidebook as a sample model³, a design guidebook was created specifically for Vietnamese design promotion, which was revised after receiving comments from participants in the seminars held in Hanoi and HCMC in July 2003.

2.4.7 Difficulties and Findings

1) Preparation of Common Tools for Understanding Design

The initial step was to determine the common understanding of design among the Vietnamese. Discussions with Vietnamese specialists revealed that the social support system was called “macro system of design” and that each product development process was called “micro system of design”. However, the answer to the essential

³ Concerned Vietnamese party is studying using translated “Sumida-Ward design guidebook”. This guidebook is composed of definition and range of design concepts, objectives and effectiveness of design, promotional methods, etc.

⁴ Concerned Vietnamese party is studying using translated “Sumida-Ward design guidebook”. This guidebook is composed of definition and range of design concepts, objectives and effectiveness of design, promotional methods, etc.

question of “What is design?” was not found. Therefore, with information materials obtained through conversations with designers, artists, government officials, and representative of industrial promotions organizations, the popular way of understanding design was concluded as follows:

- (a) Design is considered as the mere appearance of products, which lacks the viewpoint of the production process.
- (b) Design is considered as a creative activity of an artist, which lacks the viewpoint of the market and consumers.

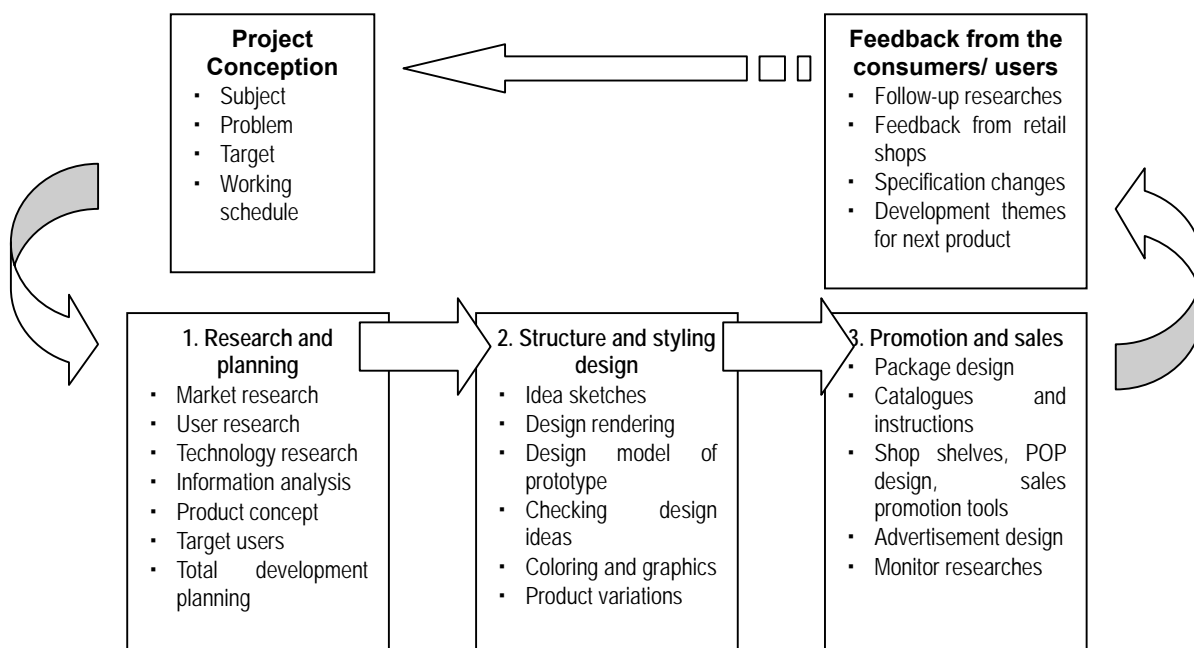
These orientations about design should be improved for industrial development. The most crucial part is that the present conditions must be seen objectively and realized by the Vietnamese people themselves. Rather than merely solving a problem once it crops up, one solution is to have a comprehensive understanding of design so that countermeasures can be prepared.

In the pilot project, a tool for a new way of understanding design was prepared in the design guidebook and seminars were held for its promotion. Positive reactions were obtained from these seminars and such activities should be pursued further in the future.

2) Experimental Activity for Realization of Design Methodology

Tentative approaches for examining the possibility of putting design methods into practice was attempted. Design method is described in the design guidebook as a process requiring three steps: “research and planning”, “designing the form and appearance” and “sales promotion and communication” (see Figure 2.4.1).

Figure 2.4.1 Three Steps of Design Process



Source: JICA Study Team

To examine the practical possibility of the process, a research on the consumers' lifestyle was conducted followed by the design process on tentative model products. Objectives of this approach were relatively understood by Vietnamese members. However the following problems were encountered:

- (a) Generally, the Vietnamese are not good at collaborative work. The three steps were considered as independent activities, and they had difficulty in connecting the results of the research with the design process.
- (b) Although the process from research to designing was conducted, testing whether products match consumer lifestyles was lacking.

As a result, the following subjects were pointed out for further improvement:

- (a) Design method as indicated in the design guidebook includes the whole process of product development, which cannot be conducted individually but requires collaborative effort. A collaborative work model needs to be established within enterprises. At the same time, collaboration in design development needs to be taught as an educational program in colleges and vocational schools.
- (b) When developing design, checking and making modifications while listening to specialists' feedback are indispensable, rather than the design team finishing up the design process all at once. This feedback-oriented method should be a standard to ensure production of practical designs.

3) Proposal for a Design Promotion System

An organization or institution for design promotion does not yet exist in Vietnam. The necessity of a design support system is recognized, while other ideas, such as the creation of a designers' association and holding of trade fairs, have also been proposed. When it comes to a comprehensive system on design promotion, a systematic proposal is lacking. Under these circumstances, experiences in Japan and Indonesia were examined to formulate a tentative design promotions system that consists of "creating a division on design policy within government", "the establishment of design council" and "establishment of design promotions center". Discussions were made based on this tentative system and the following problems were found out.

- (a) Different opinions exist among project team members concerning the composition of a design promotions system, and this prevented the refinement of the proposal submitted by the JICA study team member. As for the establishment of a design promotion center, in particular, opinions were split among members.
- (b) A tentative proposal was intended to organize a systematic relationship among individual promotions activities and promotions agencies. However, the concept of interrelationship or synergy was hardly understood.
- (c) Because a comprehensive proposal on design promotion has yet to be built, finding a way to collaborate with the Government is difficult, even if the Government also recognizes the indispensability of policies on design promotion.

- (d) Although design promotion is a crosscutting issue among concerned ministries, each ministry conducts its activities independent of other units and there is little room for collaborative work. Role separation for the MOI and the MoTrade, one being in charge of industrial policies while the other is responsible for commercial policies, only complicates the situation.

Taking these problems as a backdrop, the following are the recommended suggestions:

- (a) It appears that the Vietnamese generally are not at ease with collaborative efforts especially those needed to arrive at a consensus. Giving authority to those who have excellent coordinative skills and have them propose a promotional system is thus recommended.
- (b) For a design promotions plan to work in a social setting, authorization by the Government is required. Breaking away from the present design promotion system is necessary, but this needs government initiative.
- (c) Relationships between each governmental entity should be reoriented or reorganized. A model on design promotion collaboration among related ministries should be established as well as a reorganization of partnerships between the central and the local governments.

2.4.8 Impact on Craft Sector

The pilot project consisted of three kinds of activities, namely: “proposing a new understanding of design”, “teaching practical methods of design” and “proposing a design promotions system”. These activities remain in the first stage of the comprehensive design promotions program. Suggestions were proposed at seminars conducted to introduce the design guidebook. Based on the experience gained through this pilot project, further practical promotions activities as well as concrete outcomes in product development and education are anticipated.

1) Step-by-step Approach for Design Promotion

Design promotion is time consuming. Comprehensive activities proceed according to the following procedures:

- (a) **First step - Understanding of design:** The first step is to allow a wide recognition of the correct understanding, meaning and possibilities of design. Design is a comprehensive method of product development. Activities such as publishing a book or holding seminars are recommended. Target persons should be wide ranging such as entrepreneurs, government officials, consumers, producers, etc.
- (b) **Second step - Formation of methodology:** The second step involves the formulation of a methodology that follows the common understanding of design. Some concrete means of product development and plans on design promotion are discussed and indicated in this stage. Target persons are concerned design parties such as producers, design policy makers, etc.

- (c) **Third step - Practical lessons:** The third step proposes a practical program for design development. Given target items and users, concrete activities such as research, planning, prototype making, and sales promotion strategy are conducted as part of training in this stage. Some technical lessons on two- or three-dimensional designs are also given. Target persons are design specialists.

2) Design Activities in Various Fields

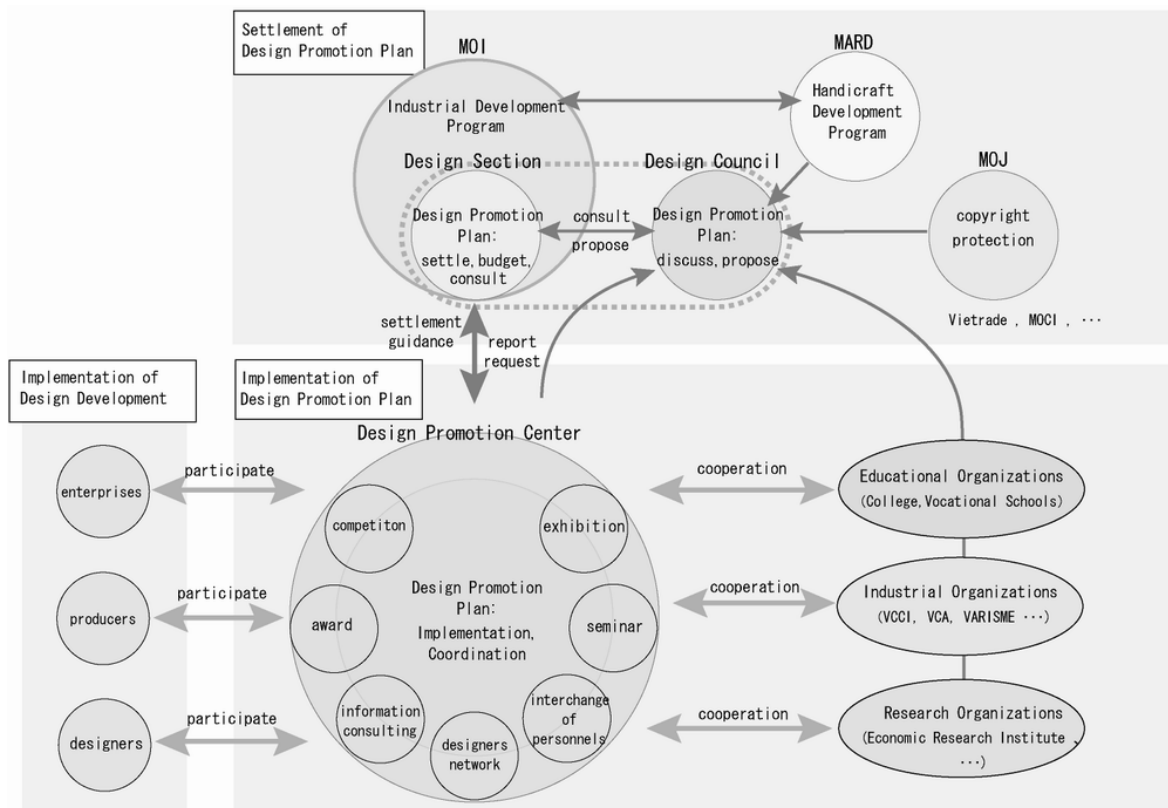
The pilot project aimed to lay the groundwork for design promotion in Vietnam. It covered the first step and some parts of the second step. The design guidebook was created and distributed in the seminars as part of the first step. A comprehensive method of design was proposed and an experimental design development activity was conducted as part of the second step. A plan on social design promotion system was also proposed. Focus was placed on building the foundation for a systematic structure of design promotion. During the course of the project, the Vietnamese members requested for more practical lessons. However, practical design promotions activities require a solid foundation of understanding and methodology. In planning the follow-up activities, emphasis should be placed on practical coaching programs by Vietnamese specialists. The following are the recommended activities for various aspects:

- (a) **Production aspect:** Practical coaching on product development for specific production areas and items is desired. Subsequent to designating model craft villages, design specialists will be dispatched to conduct practical programs for producers. Comprehensive processes of product development, such as research and planning, designing form and color, and sales promotion shall be put into practice. Foreign specialists as well as Vietnamese specialists will be requested to participate in the coaching program.
- (b) **Education aspect:** Currently, educational programs such as those with the Hanoi College of Industrial Design, the aggrupation of technical design, humanities and social sciences courses are given to the students. In the design field, the observation that the gap between education and practice is wide is often heard. Thus, more practical courses should be incorporated in the curricula. On-the-job trainings at enterprises should be encouraged to help cultivate capable designers.
- (c) **Administrative aspect:** A design promotions system should be advanced in line with central government policies. What is desired is the placement of design promotions as part of the Industrial Expansion Program under the MOI and the creation of a design promotions division. A Design Council should be formed with a core group consisting of concerned ministries such as the MOC, the MOJ, professional designers, representatives of industrial sector, along with the design promotions division. A Design Promotion Center should also be established as an implementing organization for design policies. In the future, the integration of the MOI and the MOT functions on the industrial sector and distribution sector, respectively, is recommended to form a core part of the policy-making body.

It can be said that design promotion activities have reached a certain level of success when each of the aspects above-mentioned makes progress in their respective fields

and their combined successes generate synergy.

Figure 2.4.2 Proposed Design Promotion System



Source: JICA Study Team

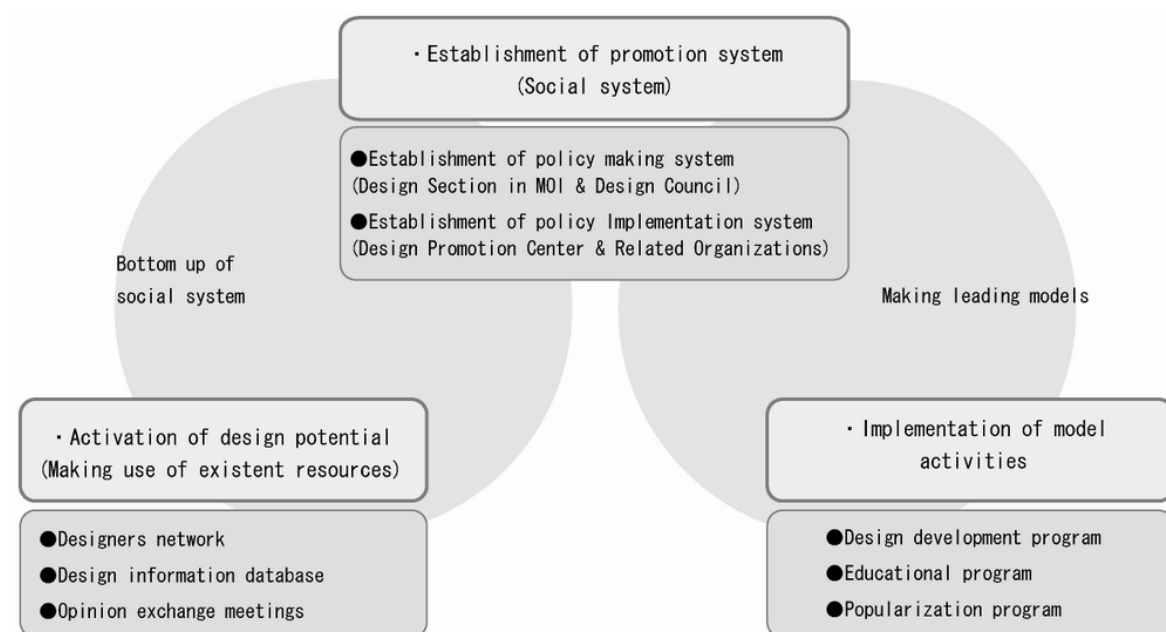
2.4.9 Recommendations to the Master Plan

- (a) **Importance of changing perceptions:** Traditionally, craft is an inherited skill passed on from one generation to the next. But this form of technical transfer is no longer practical today. Craft villages need to adopt production systems that take into consideration market factors. The pilot project was designed on this common recognition. However, during the pilot project implementation, it became clear that to have the Vietnamese drastically change concepts and perceptions would prove to be an extremely challenging task. Patience and steady effort are required to change perceptions especially when people have little knowledge of and experience in market-oriented practices and have solely depended on producing products according to orders placed by middlemen. In the case of the Japanese craft sector, wholesale dealers existed in both production and consumption areas. They had an eye for product quality as well as a sense of business, and coordinators played an important role between producers and market. Coordinators had great influence over the producers' way of handling their businesses. Producers also had various roles. Some are experts in production technique while others are skilled at business management. Which, therefore, necessitates the importance of finding producers that have good coordinating abilities. This potential coordinator should be developed with assistance. Such producers are

expected to have the ability to evaluate traditional crafts from various aspects, such as cultural or commercial, as well as to give appropriate guidance on product development.

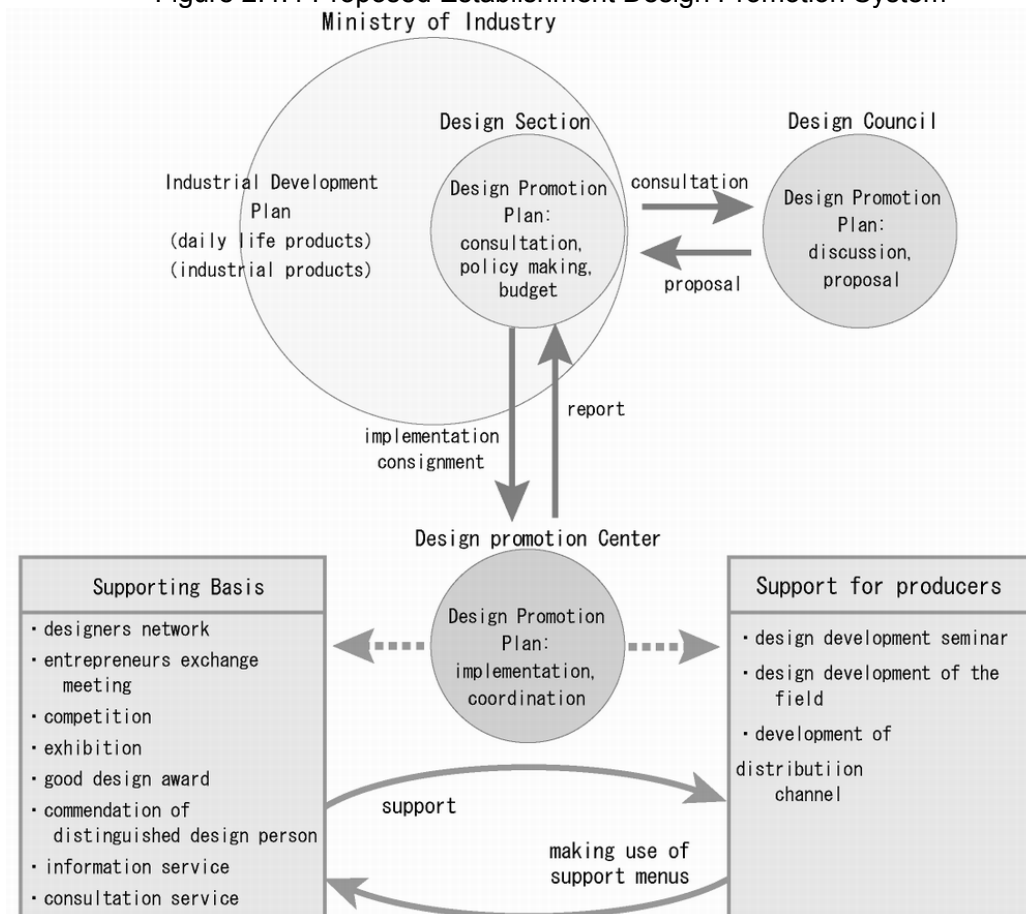
(b) **Making the design method workable in local context:** Successive activities promoting the design guidebook are to be continued through seminars or educational programs. Perceptions can be changed through time and continuous efforts. The seminar conducted in HCMC, in particular, gained positive feedback. Economically advanced cities have higher response levels in terms of changes in perception. Rather than trying to raise levels across the country all at once, it is recommended to focus on sensitive regions and let the ripple effect take its course in the surrounding areas. Then perceptions would be firmly fixed when a specific methodology is applied to develop selected products. In other words, it would lead to a sort of social movement on design. Once the understanding of design begins to spread among various groups such as producers, entrepreneurs, consumers, government officials etc., a chain reaction will be generated resulting in a social movement that will contribute to socio-economic development in Vietnam.

Figure 2.4.3 Proposed Policy Mechanism for Design Promotion



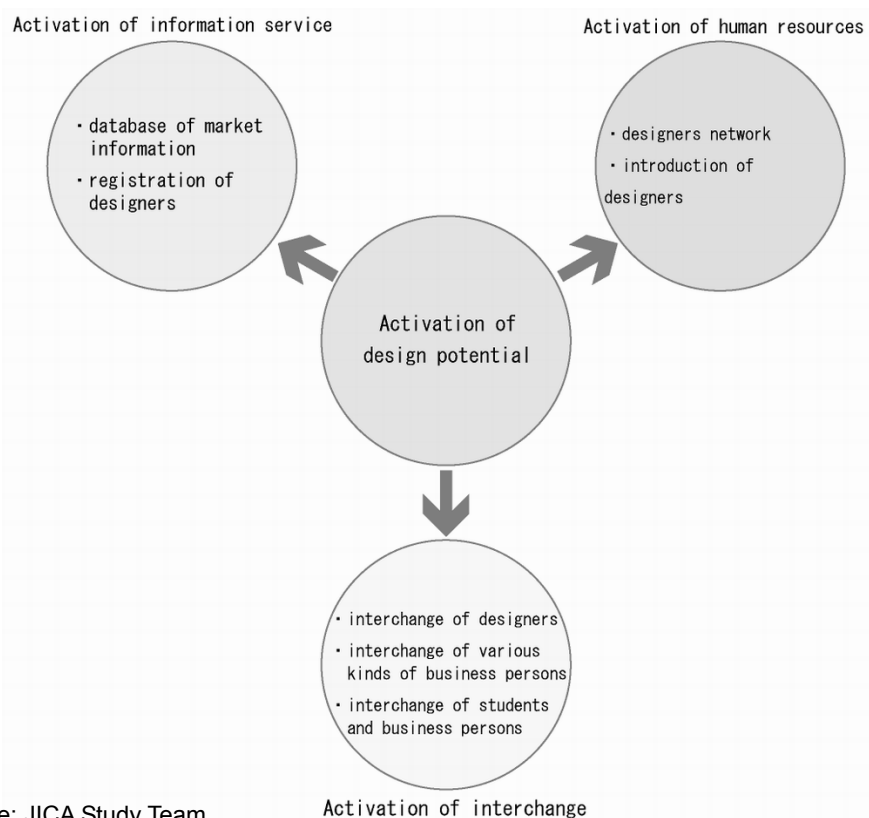
Source: JICA Study Team

Figure 2.4.4 Proposed Establishment Design Promotion System



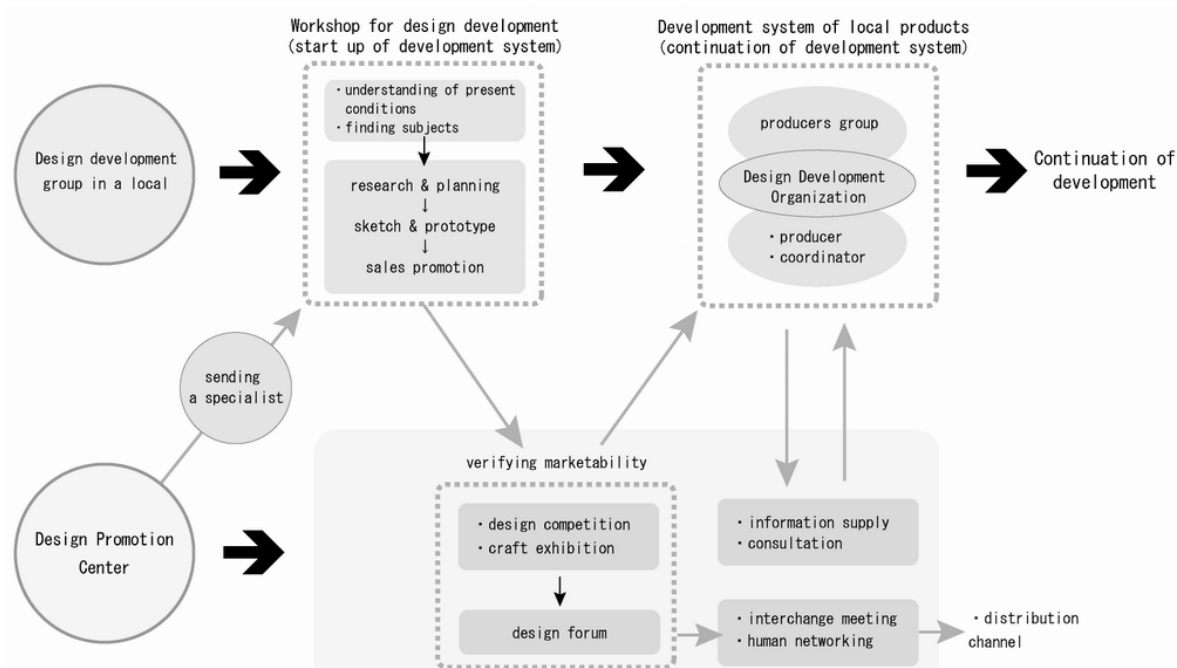
Source: JICA Study Team

Figure 2.4.5 Proposed Activation of Design Potential



Source: JICA Study Team

Figure 2.4.6 Proposed Model Business Activities



Source: JICA Study Team

2.5 PP5: Development of Internationally Competitive Craft Products

2.5.1 Background

Although Vietnamese craftspersons are highly skilled, they have yet to prove their competitiveness in the international market due to a lack of information on design and market needs. First, traditional techniques are still handed down to family members or apprentices. Second, Vietnam's craft sector lacks individuals that have a strong grasp of the craft-making processes from production, distribution to market evaluation. Thus, there is a lack of individuals who can feed back information on markets and evaluate them for producers.

2.5.2 Objectives and Outcomes

This pilot project aimed: (1) to develop competitive craft products for the international market, and (2) to transfer the technology, i.e. knowledge and techniques, to all craftspeople, be they master artisans, young apprentices, or ordinary craft workers.

- (a) **Production of prototype product and evaluation of its market:** The crafts included in this pilot project are lacquerware, stonecraft, bronze casting, and woodcraft.
- (b) **Training of commodity development coordinators and preparation of training manual:** The training methodology will be compiled in a "Training Manual for Craft Coordinators", which will include guidelines in training coordinators to be capable of understanding the commodity flow, the transfer of traditional craft-making

techniques, commodity development, distribution and sale in the markets, to preparation and evaluation of merchandise plans, and the provision of recommendations to producers.

The following are the outcomes of this pilot project:

- (a) Prototype (lacquerware, stoneware, bronze casting, woodcraft)
- (b) Training manual for craft coordinators

2.5.3 Task Force

Task Manager:		Mr. Pham Van Hoa, Hanoi Industrial Art Collage
MARD counterpart:		Mr. Nguyen Thanh Dung
Coordinators:	Lacquerware	Ms Tran Thi Minh Hong
	Stoneware	Ms. Nguyen Kim Thanh
	Bronze casting	Ms. Pham Hai Ha
	Woodcraft	Mr. Vu Hoa Long
JICA Study Team		Mr. Fumio SHIMIZU




2.5.4 Project Sites and Craft Items

Craftspersons have been selected from among master artisans from craft villages in Bac Ninh, Ha Tay and Nam Dinh provinces.

- (a) Lacquerware: Ha Noi, Thuong Tin district in Ha Tay
- (b) Woodcraft: Thuong Tin district in Ha Tay
- (c) Stoneware: Thuong Tin district in Ha Tay
- (d) Bronze casting: Y Yen district in Nam Dinh

2.5.5 Implementation Schedule

Figure 2.5.1 PP5 Overall Implementation Schedule

	Stage 1	Stage 2	Stage 3
Schedule	Nov. 2002- Feb 2003	March2003 – June 2003	July 2003– Sep 2003
Prototype	Surface Decoration	Craft Product	Competitive Craft Product
Photo of Prototype			

2.5.6 Contents of Activities

1) Production of crafts

A new approach in Vietnamese craft making is the production of attractive craft products with the help of craft coordinators who can help create new products by melding traditional and modern techniques, raw materials, design and processing, and market knowledge. A total of 375 products were developed and they were exhibited in September 2003 (see Table 2.5.1).

Table 2.5.1 Number of Prototypes

Stage	Lacquer-ware	Stone-craft	Wood-craft	Bronze Casting
Stage1: surface prototypes	50	30	30	25
Stage2: competitive product prototypes	50	25	25	20
Stage3: Advanced product prototypes	50	25	25	20
Total	150	80	80	65

Source: JICA Study Team

2) Development of Coordinators

The coordinators were carefully trained and have matured and gained lots of useful knowledge and experiences from the project. The coordinators were tasked to do the following (see Figure 2.5.2):

- (a) With a deep knowledge of the characteristics of various craftsmen and designers, match them with enterprises that have excellent materials and techniques; Undertake product planning.
- (b) Understand the whole enterprise activities and disseminate to all stakeholders the importance of product development.
- (c) Build product development processes and systems regionally, or within enterprises.
- (d) Understand clients' need objectively and present systematized product development processes while accommodating client characteristics.
- (e) Develop products strategically, such as high-, middle- and low-scale brands, etc., and have capability to systemize products or brands.
- (f) Provide foresight in developing products based on a strategic idea.
- (g) Cultivate wide connections in distribution circles and have capacity to achieve regional and enterprise business objectives.

3) Activities of Coordinators

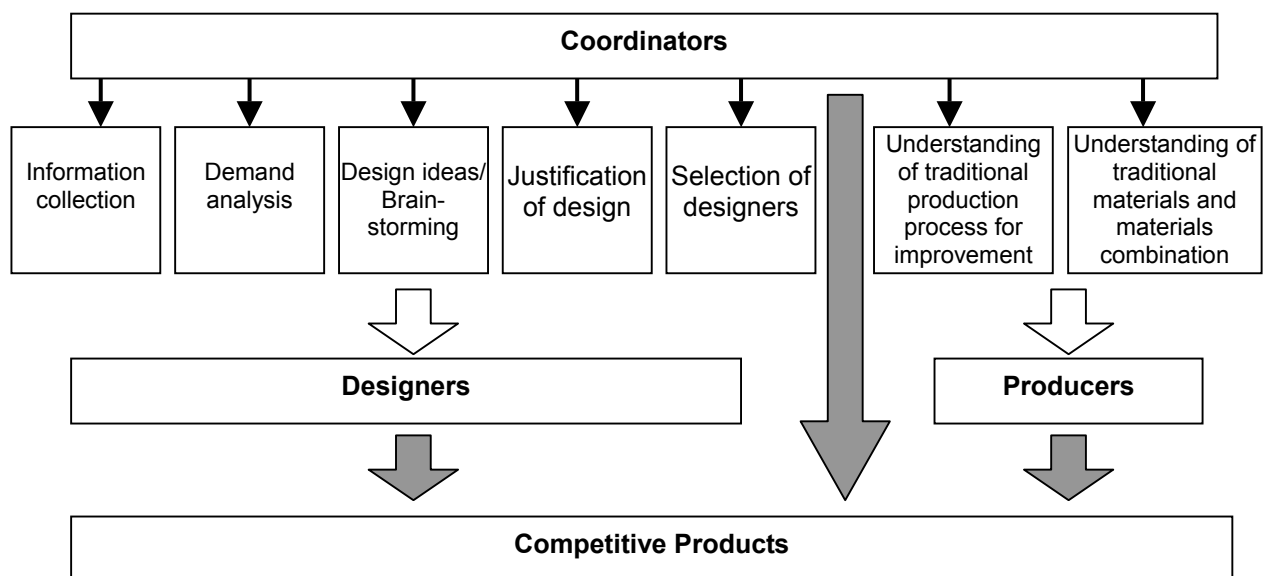
To carry out their tasks, the coordinators accomplished various activities, such as:

- (a) **Study of market trends:** Carried out a market study, i.e. collected all necessary

information relating to markets and market demand. Information was collected from various sources. Coordinators understood the overseas market trends.

- (b) **Market demand analysis:** After collecting necessary information and determining market trends, the coordinators analyzed the information to find out market demand. Coordinators understood that market trends are usually very diverse, such as the trends in cultural mixtures, antiques, ethnic minorities' products, and in decorating interiors, bedrooms and dining rooms as well as the use of natural and traditional materials. Such understanding was expected to strengthen the competitiveness of Vietnamese products and win market support.
- (c) **Generation of designs:** After collecting information and analyzing the market, the coordinators generated several design and production ideas. Once initial designs were evaluated, the coordinators selected the best ones.
- (d) **Collaboration with designers and producers to create competitive products:** Coordinators successfully performed this task by selecting competent designers and good designs, giving ideas, providing information, analyzing and helping designers understand market demands and trends to enable them to create quality products that fulfilled all requirements of the three aspects of design (style, color, etc.), function (economy, convenience, safety) and meaning (society, environment, humanity, community, etc.). Skilled craftsmen and designers worked hard to achieve further understanding of the process of creating competitive products.
- (e) **Prototype production, cost price determination, quality control, and official production:** After completing the above steps, the coordinators supervised the subsequent steps including prototype production, cost price determination, quality control, and final production to ensure the project's progress and production techniques, as well as aesthetic standards (see Figures 2.5.3 and 2.5.4).

Figure 2.5.2 Roles and Tasks of Coordinators



Source: JICA Study Team

Figure 2.5.3 Prototypes in Stage 1

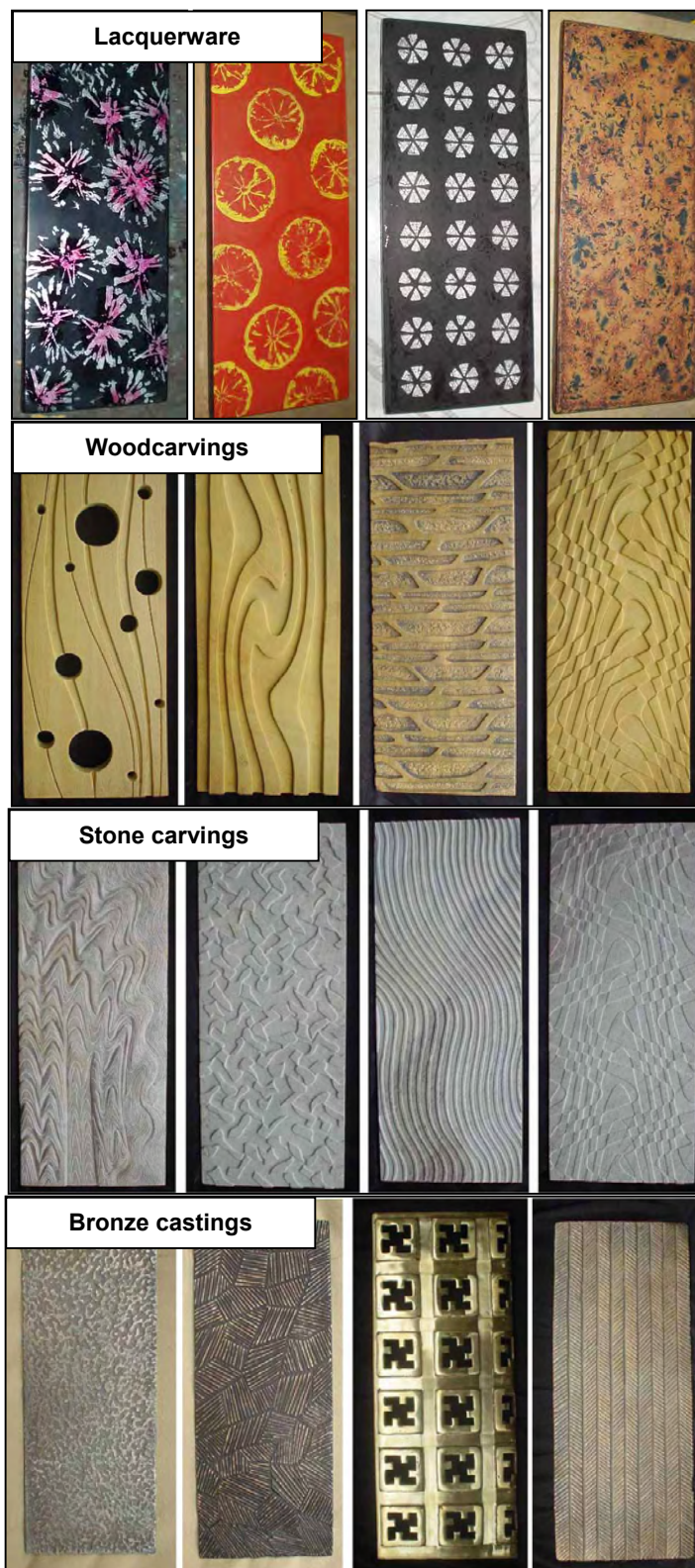


Figure 2.5.4 Prototypes in Stage 2



2.5.7 Difficulties and Findings

The theme of the pilot project was product development that meets the needs of the international market while using traditional craft skills.

At present, producers simply serve as subcontractors to meet orders placed by wholesalers. They commonly do not have access to learn about demands from end users. In other words, the sellers (or wholesalers) do not provide feedback from the users to the producers (i.e. craftspersons, designers and manufacturers). The producers simply manufacture their products without knowing in what areas their products are used or what the users actually feel when they use them. The quality and techniques of Vietnamese traditional craft products are not passed on to younger craftspersons. In addition, producers generally have problems on quality, cost and delivery, and are almost devoid of information on lifestyles of consumers in the

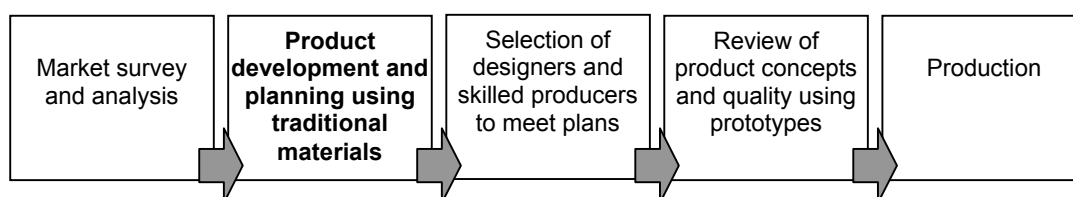
international market. There are also issues regarding materials. For example, in lacquerware chemical paints are often used instead of traditional lacquer.

In this context, Vietnam's craft sector faces the following challenges:

- (a) Production of attractive products that take advantage of styles and characteristics of the traditional crafts.
- (b) Development of functional products that meet market needs.
- (c) Conceptualization of ideas about new products, short-listing of products and commercialization on the basis of their intended uses.
- (d) Cultivation of a strong sense of quality control of traditional crafts to facilitate their future introduction to world markets.

Project coordinators have the role of managing the entire process of product development involving designers, craftsmen and other team members (see Figure 2.5.5).

Figure 2.5.5 Overall Coordination Process



Source: JICA Study Team

2.5.8 Impact on Craft Sector

1) Importance of Coordinators

A new product development method that shows coordinators acting as bridges between designers and craftsmen was developed. This new method allows the adoption of the process taken by private enterprises and retailers situated in urban areas by cultivating coordinators. Coordinators shall assist in linkages between craft workers and designers in the product development process.

An approach where coordinators connect designers and craftsmen for flexible product development will have a dramatic impact on the craft sector. In other words, a new shape of the craft industry will be sought, which will result in products that will characterize local cultures and establish them as brands. The impacts as a result of the coordinator-led approach are as follows:

- (a) Aggressive product development that will motivate designers and craftsmen and promote competitions among themselves.
- (b) Launching of a movement to seek connections between designs and crafts beyond the traditional framework of crafts.
- (c) Preservation and success of the traditional crafts plus opportunities to cultivate

craftsmanship.

- (d) Expanded opportunities for distribution and marketing.
- (e) Success of traditional techniques and methods and exploitation of new possibilities using traditional materials.
- (f) Recognition of the importance of designs.
- (g) Promotion of designs that fit modern lifestyles along with a positive attitude toward research and development of functional crafts.
- (h) Improvements of working environments.
- (i) Streamlining of production.
- (j) Use of crafts in daily life.
- (k) Promotion of understanding about designs and crafts.
- (l) Stimulation of consumers' awareness about crafts.

2) Development of Competitive Traditional Crafts

A number of master artisans who participated in the prototype production developed products that can meet the market needs using their own traditional skills but new designs. New possibility of product development using Vietnamese traditions was identified.

2.5.9 Lessons Learned

1) Marketing

The question is what kind of approach should be taken for Vietnamese crafts to gain headway in the international market and to realize the manufacture of highly saleable products. The basics of marketing lie in identifying goals to be accomplished for the sake of the customers. Generally speaking, marketing's concept is extremely practical and individual. That is, hypotheses based on individuals' sensibilities and insights must be drawn out through direct contact between each shop and each customer.

Although the coordinators in the project were inexperienced, they were trained to precisely and concretely grasp realities, as well as understand contexts and analyze situations. The Study Team firmly believes that they will continue their maturation and increase their experience. To start their training, the team members read books and magazines, surveyed trade fairs and shops, listened to stories from others, and conducted observations.

- (a) **Lessons learned from market trend analyses:** Crafts attract people mainly due to social circumstances. Sympathy with environmental issues has led to demands for healing, back-to-nature lifestyles, cultural mixture, and emphasis on ethnic heritage and craftwork. People adore nature, look for gentleness, familiarity and romanticism in it, and utilize it to give a special meaning to their modern existence. For example, urban residents collect artistic crafts to create museum-like interior designs and decorate tables. Results of the market research showed that such features as the warmth of handmade crafts, techniques cultivated through local

climates, and beauty of the materials have strong demands in modern societies.

(b) **Sharing opinions in the process of establishing products to be developed:** As part of the product development process, team members shared their ideas as to the characteristics of the new products to be developed. Through this process, a common understanding of what crafts to develop was achieved. The products must be:

- Simple yet a little decorative, products that give liveliness to life.
- Products with quality balanced with price.
- Expensive products that can comfortably be used.
- Practical products having definitive uses.

(c) **Understanding of designs and products emphasizing daily uses in the process of concept development:** The team project members proposed ideas and developed concepts as to what products must be offered emphasizing products for daily use. In the process, the team members discussed the users' needs and shared product concepts based on what users require, as follows:

- Development of comfortable products that enable users to lead healthy and relaxed lives as well as enjoy and enrich their lives.
- Products that add a fun atmosphere to daily lives and bring comfort and relaxation to them.
- Asian-style products matching healthy, environment-friendly or self-controlled lifestyles that are becoming a trend internationally

(d) **Re-estimate of traditional crafts through studies on their materials:** About 100 kinds of texture of materials used for traditional crafts were produced and checked. In the process, the members re-evaluated the value of the traditional crafts and through sample making, learned differences in materials produced by the traditional craft techniques. As a result, the members re-discovered the uniqueness of natural and warm, handmade traditional crafts that had long been practiced in the area.

2) Prototypes

Efforts were made to check and confirm the conformity of prototypes with their objectives, after which the project proceeded to the next stage – improving quality. In the process, the members' commitments and willingness toward quality improvements were promoted. Emphasis was given on research and the understanding of markets. Questions such as how products were used and in what context they were used were taken into consideration. The members worked with craftspersons in the field, studied pleasing textures, and developed products. All the members consequently shared and experienced the joy of creation.

Such approach to product development appeared to further promote improvements of techniques and methods as well as yielded new and attractive crafts.

2.5.10 Recommendations to the Master Plan

This development method where coordinators gave directions throughout the design process revealed several points that are not emphasized in product development methods generally employed in Vietnam. These are:

- (a) Issues of market needs; in other words, examination of market demands based on lifestyle studies
- (b) Use of traditional materials and traditional craft techniques.
- (c) Designs that are not restricted to shapes.
- (d) Motivation and commitment to product development.

The product development system driven by coordinators re-estimated materials and techniques employed by traditional crafts, found new values in the crafts, and developed new crafts that meet market needs or modern lifestyles. Promotion of this product development system should be encouraged through on-the-job training in both the academe and the private sector. The establishment of such a system and the activities spearheaded by coordinators could revitalize the private sector as well as the rural areas where regional strength and technical skills improvement have yet to be gained.

The coordinator-driven development system is described in Table 2.5.2.

Table 2.5.2 Coordinator-driven Development System

Development System	Verification
(1) Motivation to develop a product (prerequisites of development, requests, etc.)	<ul style="list-style-type: none"> • Marketing skills (re-evaluation of the traditional crafts and understanding of needs as revealed in market studies) • Planning skills
(2) Commencement of a market research ¹⁾	
(3) Needs analysis	
(4) Concept development based on the relevant prerequisites	
(5) Selection of an appropriate designer	<ul style="list-style-type: none"> • Design skills (share common understanding of the planned theme)
(6) Selection of an appropriate craftsperson and elaboration of the materials, texture and method of making.	<ul style="list-style-type: none"> • Checking the performance as a commercial product (quality check)
(7) Creation of a prototype	<ul style="list-style-type: none"> • Examination of percentage of completion as a product (proportion, texture, function, user-friendliness)
(8) Planning of a price strategy	<ul style="list-style-type: none"> • Assessment at domestic/international exhibitions and fairs • Sales in domestic/international markets • Contract negotiation and trouble shooting • Feedback from consumers
(9) Quality control	
(10) Commencement of commercial production	
(11) Studying market promotion (packaging, shops, etc.)	

Source: JICA Study Team

1) Market research identifies the market needs by collecting market information and studying past cases. Finding out what products are used in daily life, and studying their design functions, general feelings of the products, quality, materials, etc.

2.6 PP6: Environmental Improvement of Craft Villages

2.6.1 Background

Generally, infrastructure in the craft villages is better than in other rural villages. However, the development of the craft sector is creating corollary environmental impacts on their immediate as well as neighboring areas. This is significant because environmental issues and concerns in the craft sector are not confined within the craft villages but affect the surrounding areas as well. The issue is particularly pressing on the problems of water pollution and solid waste treatment.

Environmental laws exist especially those under the MOSTE and the MOI; however, practical environmental guidelines at the central and provincial government levels pursuant to these laws do not exist. Producers and enterprises mainly focus their energies on improving competitiveness and production; mitigating environmental degradation still has to take widespread root.

In effect, it could be said that aside from the deterioration of the working environment, concerns on health hazards, labor risks and environmental pollution in the craft villages (e.g. dust, water pollution from dyeing and chemicals, noise from machines, etc.) are worsening. Until now, few measures have been formulated to counter them and proper awareness of the labor environment remains low.

2.6.2 Objectives and Outcomes

The pilot project aimed to improve the environment of Van Phuc village in a manner that can be replicated in other craft villages throughout Vietnam. The pilot project's objective was to formulate government assistance methods on environmental issues specifically for the craft villages and to create an effective tool to help change perception of craft producers.

- (a) **Environmental improvement model plan:** Concrete environmental measures by making a thorough analysis of the environmental issues that are prevailing in the target craft villages and in the communes will be formulated.
- (b) **Proposal for an environmental improvement assistance system:** A proposal for an environmental improvement assistance system and support measures for craft-related environmental conservation and improvement based on the outcomes of the action plans will be made.

The following are the outcomes of the pilot project:

- (a) Report on the environmental study on the production of silk products in Van Phuc village.
- (b) The creation of an environmental improvement and safety management manual for craft households, consisting nine topics to wit: wastewater treatment, air pollution, solid waste, fire and explosion, noise and vibration, health management, occupational safety and hygiene, study on the number of tourist arrivals in a village,

and international environmental standards⁵ (SA 8000, ISO 9000, ISO 14000).

2.6.3 Task Force

Task Manager:	Prof. Phung Chi Sy	Director, ENTEC
MARD counterpart:	Mr. Ton Gia Hoa	
Local Team:	- Monitoring: Engr. Chu Cong Tuan	ENTE C
	- Analysis: Dr. Nguyen Quoc Tuan	ENTE C
	- Design: Mr. Nguyen Dang Anh	ENTE C
JICA Study Team	Mr. David LEES	

2.6.4 Project Sites and Craft Items

The pilot project site is Van Phuc silk village, Ha Dong town, Ha Tay province. The village has 785 textile households and over 20 dyeing households. At present, there are about 1,000 weaving machines with a total capacity of 2.4-2.5 million meters of silk.

The construction plan for a new craft production zone or industrial estate, with a total area of 14.6 hectares, was completed and was approved by the People's Committee of Ha Tay province in 2002. It is anticipated that after completion of construction for the production zone, the number of weaving and dyeing machines will double to 2,000 and 400, respectively.

2.6.5 Implementation Schedule

Table 2.6.1 PP6 Overall Implementation Schedule

Activity	2003							
	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
1) Identification of all pollution flows into streams in Van Phuc village								
2) Measurement of flow volume								
3) Effluent measurement and analysis								
4) Design of wastewater treatment system								
5) Establishment of working group								
6) Implementation of technical improvement measures								
7) Discussions on the implementation of technical improvement measures								
8) Establishment of working groups								

2.6.6 Contents of Activities

- (a) **Study of pollution sources:** Questionnaire on industrial waste was prepared and a survey was conducted on 23 dyeing households and two factories in Van Phuc village with the cooperation of the People's Committee, the craft production union, representatives of Van Phuc village cooperatives, and others. Necessary data was collected and analyzed to identify the households engaged in dyeing and map out

⁵ SA 8000 (Social Accountability 8000) is the corporate behavior standards for the protection of labors' rights used as international standards. ISO 9000 is the international standards of quality management and quality assurance defined by ISO, International Standards Organization. ISO 14000 is the international standards of environmental management for enterprises and organizations.

the wastewater system on the land-use map.

- (b) **Flow measurement:** Flow volume was measured in one point in Van Phuc village and in another point as it flowed out into a tributary of the Nhue River. The drainage's flow volume and that of the Nhue River were estimated during the dry and wet seasons.
- (c) **Effluent measurement and designing of wastewater management system:** Wastewater samples were collected from factories, drainage canals, upstream and downstream parts of the river, and other points to measure contamination levels of the water. This was done by checking ph levels, suspended solids, salinity, the waters' biochemical oxygen demand (BOD), chemical oxygen demand (COD), and color or turbidity.

Figure 2.6.1 Chemicals and Wastewater from Dyeing Factories



- (d) **Establishment of working group:** Plans were formulated based on the outputs of the survey. A working group was created to tackle the establishment of policy mechanisms that will pave the way for the implementation of the proposed plans. A monthly meeting was initiated by the DOI, DOSTE, Ha Dong town People's Committee, and Van Phuc village People's Committee.
- (e) **Organizational preparation for the village working group:** The Green Clean Beautiful Club was established as a branch unit of the Vietnam Association of Conservation of Nature and Environment (VACNE).

2.6.7 Difficulties and Findings

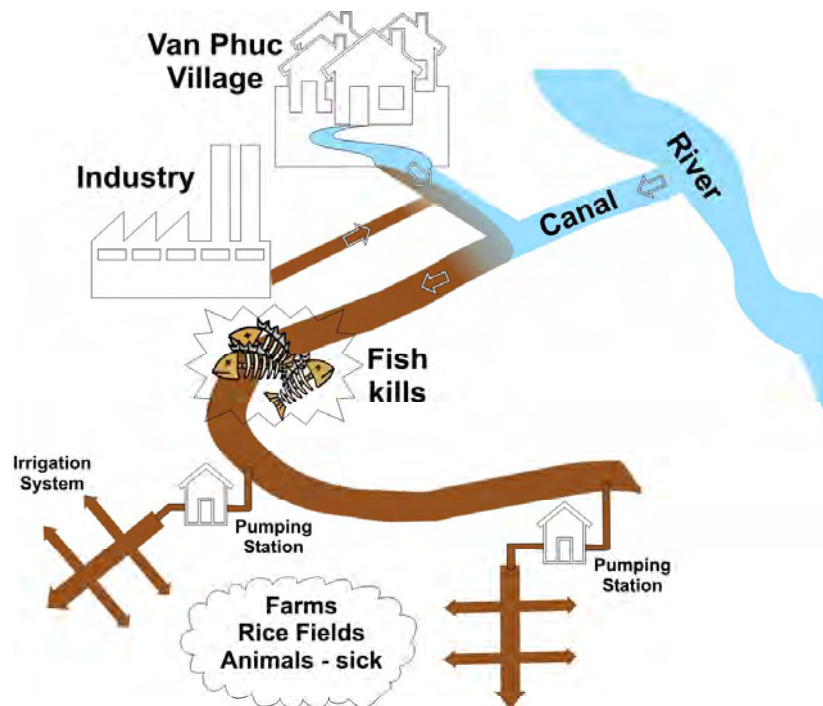
The following are the environment factors found during the project:

- (a) **Dyeing households and enterprises were the sources of water pollution:** It was confirmed that households engaged in dyeing were the sources of pollution. These included 34 small-scale households, 1 medium-scale household and 2 large-scale enterprises. Installing a physicochemical treatment facility would be effective in reducing pollution.
- (b) **Water pollution by organic materials:** The surface of the drainage canal as well as the Nhue River was terribly polluted by organic materials and had high levels of BOD and COD. The quality of water could be improved by taking the following measures: (1) dredging the drainage canal and disposing the dredged sludge, (2) propagating aquatic plants to reduce organic pollution (i.e. biological pond), and (3)

using physicochemical treatment processes.

- (c) **Undeveloped sewage system:** Van Phuc's sewer system is not fully developed and poorly maintained; thus, making it the main source of pollution such as water pollution, pungent smell, etc. Improvement of the sewer system is necessary, particularly at the open-valve wastewater treatment facility.
- (d) **Undeveloped solid waste collection system:** Solid waste treatment is not managed and its collection system should be improved.
- (e) **Lack of awareness of working environment:** Most enterprises and producers focus their energies on productivity and efficiency; and little is paid on the workplace. Although health hazards are serious, appropriate countermeasures have yet to be identified.
- (f) **Environment impact on macro level:** Environmental hazards from the nearby large-scale enterprises were serious and affected the surrounding farmland and rivers. Regional environmental issues must be addressed on the regional level rather than the village level (see Figure 2.6.2).

Figure 2.6.2 Environmental Impacts at Macro Level



Source: JICA Study Team

2.6.8 Impact on the Craft Sector

Consensus was reached on the following points through workshops that were participated in by Ha Tay provincial government agencies like the DOI, DOSTE, Van Phuc village People's Committee, craft households and individuals.

1) Running a Campaign on Environmental Improvement

One of the most important factors is changing the perception not only of the craft households and workers but all of local residents. Running an awareness campaign is one of the effective methods to improve awareness.

- (a) **Solid waste collection program:** Provide containers, bins and handcarts to improve solid waste collection and disposal.
- (b) **Use of physicochemical treatment processes:** Use physicochemical treatment processes in each of the 35 households to test the effectiveness of the treatment measures.
- (c) **Distribution of manuals:** Provide manuals to improve workers' safety and working conditions.
- (d) **Distribution of publicity materials:** Provide publicity materials such as pamphlets, brochures, handouts, etc.
- (e) **Assistance on beautification campaign:** Support activities and programs of the campaign.

2) Actions by the DOI

The DOI has a plan to build an industrial estate covering 15 hectares. The village will be provided with land which can be secured through the payment of a 30% deposit. The remaining 70% may be paid in installments. The DOI is considering applying for a soft loan. It has identified 160 similar craft villages and intends to build 200 industrial estates throughout the province, which would move production out of household areas and create a much better environment. The DOI intends to assist with a loan facility in the development of the new industrial estates, along with a grant to construct a common wastewater treatment plant on each estate and to help with the planning of the estates.

3) Actions of the People's Committee of Van Phuc Village

The village's solid waste is being collected by a private company. Moreover, cleaning drives have been done every Saturday by each household to clean their premises. The PC envisions a new estate to include factory areas, showrooms and tourist facilities. The PC's record of visitor arrivals in the village showed that Van Phuc is receiving 7,000 foreign tourists every year and an average of 1,000 local visitors per day. These figures are expected to grow by 30 to 40% per annum.

4) Clarification of Assignments and Responsibilities

Jurisdiction over environmental issues differ per affected area and scale. Assignment of responsibilities is unclear making it more difficult to formulate concrete measures. Besides clarification of responsibilities and roles of each concerned government agency, a pro-active media campaign to change perception is needed.

- (a) **At craft village and regional environment levels:** The causes of environmental degradation a craft village inflicts on its surrounding areas need to be analyzed. Environmental issues should be addressed by the MOSTE, MONRE and DOSTE from a regional perspective.
- (b) **At enterprises level:** Issues concerning the workplace within an enterprise should be managed by the MOI and the DOI from the viewpoint of industrial promotion.
- (c) **At household level:** Health hazards are the main issues in this level. Improvement of the workplace should be addressed by the MOI and the DOI. Impacts on health should be further analyzed and issues need to be addressed with the collaboration of the MOH.

2.6.9 Recommendations to the Master Plan

In general, it is not recognized that the craft industries cause pollution in its production process. The MONRE is trying to strictly enforce laws through fines when environmental laws are broken. Further classification of pollutants and the assessment of fines should be included in the legislative bill. The MONRE is also considering making each household bear the cost of daily garbage collection. The National Environmental Agency (NEA), a new agency independent of the MOSTE, is currently preparing the program. It primarily intends to address water pollution from paper recycling, as well as air pollution from copper dust and chemicals used in the bamboo and rattan craft industry.

The absence of laws and regulations on pollution control and environmental management should be recognized by various industries. Although some environmental standards are in place they mostly remain ignored.

The central government is responsible for developing environmental evaluation standards while the provincial governments are responsible for ensuring that the industries within their respective jurisdictions comply with such standards. A step-by-step approach is recommended for the compliance with these standards. First, holding consultations among relevant government authorities, enterprises, village representatives, etc. Second, building consensus on roles and responsibilities including the burden of cost. Third, having stakeholders meet the standards gradually in a given time frame.

2.7 PP7: Strengthening of Management Capacity of Ethnic Minority Craft Villages

2.7.1 Background

There are 53 ethnic minorities in Vietnam and they comprise around 14% of the country's total population. Most of the ethnic minorities live in the mountainous regions and 29% of them belong to the poor. The improvement of their living conditions is listed as a priority policy issue in national development plans.

Most ethnic craft villages produce bamboo and rattan products, textiles and metalcraft products, both for own consumption and sale to tourists. However, craft production does not always translate to increased incomes or better living conditions due to the following factors: (a) lack of understanding and awareness of traditional values, (b) unstable and limited market, (c) lack of cost consciousness, and (d) presence of middlemen who take the greater portion of profits.

2.7.2 Objectives and Outcomes

The pilot project aimed to increase business management awareness and capacity of the target ethnic minority villages. The manual prepared during the pilot project will provide a methodology for NGOs, communities and government institutions in supporting ethnic minority craft projects.

- (a) **Increased management and business skills of ethnic minority producers or groups and manual on assisting ethnic minorities in craft development:** A manual was prepared in conjunction with a hands-on training in the village which helped villagers acquire the knowledge to produce and sell crafts and the know-how to manage their own craft enterprises.
- (b) **Preparation of activity plan for handicraft development and promotion:** Each producers' group prepared a simple business plan, or activity plan, that outlined the group's goals and objectives.
- (c) **Model of support for ethnic minority craft producers:** The project created linkages among government agencies, related organizations and NGOs and provided them with a model for future craft projects with ethnic minorities.

2.7.3 Task Force

Counterpart:	MARD, DARD Lai Chau, An Giang DOI, Commune PC, Commune Women's Union	
Task Manager:	Ms. Tran Thi Thu Huong	Project Officer
MARD Counterpart:	Mr. Nguyen Manh Dung	
Local Team:	Ms. Nguyen Hong Anh	Chief Designer
	Ms. Cao Minh Chau	Designer
	Ms. Vuong Thai Nga	Administrator & Project Assistant
	Ms. Nguyen Hong Van	Designer
JICA Study Team	Ms. Claire BURKERT	

2.7.4 Project Sites and Craft Items

Table 2.7.1 PP7 Pilot Project Sites and Craft Items

Province	District	Commune	Village	Ethnic Minority and Craft Item
An Giang	Tinh Bien	Van Giao	Van Giao	Khmer woven fabrics
Lai Chau	Tua Chua	Sinh Phinh	Ta La Cao	Red Dao embroideries

2.7.5 Implementation Schedule

Table 2.7.2 PP7 Overall Implementation Schedule

	Lai Chau	An Giang
Nov 2002	—	• Artisans attended handicraft bazaar in Hanoi
Dec	<ul style="list-style-type: none"> • Site survey • Monthly working plan • Development of relationship with local authorities • Selection of core groups (Khmer and Red Hmong) 	
Jan - Mar 2003	<ul style="list-style-type: none"> • Two orientation workshops at communes • Literacy trainings • Management, business and design trainings • Business and marketing workshops 	
Apr	<ul style="list-style-type: none"> • Study Tour in Sapa, Lao Cai¹ • Marketing training • Training in embroidery and sewing 	<ul style="list-style-type: none"> • Marketing training • Training in embroidery and sewing
May	<ul style="list-style-type: none"> • Business Plan Training Workshop in Hanoi for WU representatives and artisan group representatives • 'Customer feedback' session on project products • Exposure trip to Hanoi to see raw materials and craft markets 	
		<ul style="list-style-type: none"> • Dye training and introduction of new designs
Jun – Aug 2003	<ul style="list-style-type: none"> • Training and monitoring of bookkeeping system • Review and evaluation by the group of what they learned • Final preparation of business plan • Preparation of handbook 	
Sep	<ul style="list-style-type: none"> • Finalization of handbook 	
Nov	<ul style="list-style-type: none"> • Conduct final seminars at provincial governments 	

Source: JICA Study Team

1) Sapa in Lao Cai is a tourist spot in the northern mountainous area. Ethnic minorities sell woven fabrics and embroideries to tourists directly. There is a workshop and a satellite shop which trained ethnic minorities manage by themselves supported by an NGO.

2.7.6 Contents of Activities

- (a) **Organization of producers' groups in target villages:** After the field surveys, the team identified two ethnic minority producers' groups – the Khmer in Van Giao commune, Tinh Bien district, An Giang province and the Red Hmong in Ta La Cao hamlet, Sinh Phinh commune, Tua Chua district, Lai Chau province.
- (b) **Orientation meeting in communes:** A workshop was conducted in each of the identified commune – Van Giao and Sinh Phinh. On the first three days the Craft Link team, the local authorities in all levels, selected villagers and the core group conducted meetings and participatory discussions to achieve the following: (1) establish a seasonal calendar of work, (2) chart the workload of women, (3) assess attitude toward craft development and marketing, (4) learn about village skills, (5) conduct a Needs' Assessment, and (6) discuss project objectives. On the last day, commune, district and provincial Women's Union members, local PC members, DARD representatives, the villagers, and the core group members were invited to participate in group discussions and exercises. The discussions included orientation on the project and clarification of roles and responsibilities of concerned parties.

(c) **Training for Developing a Group Enterprise:** To train production groups to understand the meaning of business and management and develop a business plan on their own the following contents were discussed:

- What is a Business
- Forming a Management Team
- Costing and Pricing
- Production Planning
- Bookkeeping
- Marketing
- Making a Business Plan

(d) **Training on technical skills:** To develop and sell craft products with traditional motifs, technical skills in such areas as embroidery, sewing, weaving, dyeing, and designing with traditional motifs are needed (see Figure 2.7.1).

(e) **Business plan workshop:** Core group members and commune Women's Union staff visited Hanoi to conduct a joint business plan workshop. As a case study on customer feedback, workshop participants, who were mainly foreigners, asked questions about raw materials, designs and motifs to group members. After the workshop, the participants visited some craft shops in the city and the Vietnam Museum of Ethnology to see and understand what the market, sales methods, pricing, and quality of products in an urban area was.

(f) **Study tour:** Core group members from Van Giao, An Giang, participated in the Craft Link bazaar in Hanoi in November 2002 and visited the Vietnam Museum of Ethnology. Core group members from Ta La Cao, Lai Chau, visited Sapa in Lao Cai to see craft markets for tourists and visited a workshop where the same ethnic minority groups manage their business themselves (see Figure 2.7.1).

Figure 2.7.1
Various Onsite Activities



2.7.7 Difficulties and Findings

While the projects' main aim was to strengthen management capacity, it also necessarily included training in product development. The two project sites were quite different. Findings are described separately in Table 2.7.3.

General findings and problems from both groups are as follows:

(a) It is important to provide intensive training to a core group and to keep the membership small while a market is first being established

- (b) Improvement of literacy and management skills within ethnic communities required constant strong support and encouragement from motivators within and outside the community – motivation for and understanding of the need to upgrade these skills were weak.
- (c) Young, semi-literate members should be given opportunities to increase literacy and numeric skills so that they can become leaders of the group.
- (d) For finding markets outside the locality, the groups depended on outside organizations (i.e. NGOs) for information.
- (e) The groups needed more exposure to similar artisan groups and other products so that they can be competitive.
- (f) Pricing needed to be understood by all group members so that they do would not lose money in their enterprise.
- (g) Sources of high quality raw materials were not often found in the same locality, and in some cases (for instance, low-impact chemical dyes such as those made by Dyestar), had to be imported.
- (h) Opportunities to sell to local tourists exist and could be expanded.
- (i) Outside funding was not provided to upgrade skills as pertains to market demand.
- (j) Cultural background of skills and designs was not documented.
- (k) Stakeholders such as the Women's Union also needed training in business, management and community development.

Even if they are not literate, the groups were able to grasp the concept of a business plan and to produce one for their enterprise.

2.7.8 Impact on the Craft Sector

- (a) **Outcomes of trainings:** Management and design trainings provided to the Khmer and the Red Hmong groups strengthened their capacities up to a certain level. For the Khmer from Van Giao village, An Giang province, the activities of the cooperative were enhanced mainly by the core group. Monitoring and guidance were provided by the commune Women's Union. The Red Hmong from Ta La Cao village, Lai Chau province, improved their design skills and have sold their products in the district's central area.
- (b) **Raising awareness of ethnic crafts:** Ethnic minority artisans possess unique traditional skills and have a colorful design heritage. Furthermore, they are interested in innovative skills and know-how in order to make products for new markets. Ethnic minority artisans can be motivated to develop craft enterprises if they are provided with the right opportunities for exposure and exchange (as in the case of the Hmong artisan study tour to Sapa).

Table 2.7.3 Advantages and Disadvantages of Project Sites

Project Site	Advantage	Disadvantage
Ta La Cao village in Lai Chau (Red Hmong Embroidery)	<ul style="list-style-type: none"> • Hmong women were eager to learn about the market. A study tour to Sapa where they met other Hmong women producing craft through other Craft Link projects proved very successful. The Ta La Cao women discussed problems and opportunities with the Sapa Hmong women, and they returned to their own hamlet with a new understanding of what their enterprise could achieve. • The hamlet was eager to receive tourists to whom they could sell crafts. • The participants easily picked up new ideas for products and made good quality embroideries and simple hand-sewn finished products. • The district Women's Union and the People's Committee provided strong support. • In a short time a functioning group was established that was capable of making distinctive products for local and Hanoi markets. 	<ul style="list-style-type: none"> • Literacy rate was poor, and the group needed more management support from outside members. • More time was needed to develop management and marketing skills as well as know-how to apply final finishing to products.
Van Giao village in An Giang (Khmer woven fabrics)	<ul style="list-style-type: none"> • Strong support for the project came from government stakeholders and Women's Union. • Khmer weavers were eager to improve weaving and dyeing skills. 	<ul style="list-style-type: none"> • The cooperative that was previously set up by the Women's Union improved its management and bookkeeping systems. • Khmer literacy level was low, so Khmer weavers were not involved in financial management and marketing. • The cooperative did not have a clear marketing strategy. • The cooperative did not have a large enough market to provide steady income to all its 126 members. • Artisans did not have a good local supply of silk and dyes. • Artisans did not know how to price products. • Skills level of weavers needed to be raised to make products that could be sold in markets outside. • They lacked awareness of competition (from Cambodia, Thailand, etc.) • Government stakeholder support was not always well directed.

Source: JICA Study Team

- 1) For instance, the district Women's Union wanted to provide a scholarship to a young Khmer woman to further her studies so that she could be a member of the management board.
- 2) For instance, training of more weavers does not necessarily lead to more income for group members. Funding for loans, equipment, and training, has concentrated on boosting numbers of weavers rather than quality of skills. It is important that government assess impact of loans and other inputs on livelihoods.

- (c) **Necessity of training and support from government agencies:** The necessity and effectiveness of business trainings for ethnic minority groups by appropriate trainers and facilitators were strongly recognized by the concerned government agencies. Basic business skills and production of a business plan for a craft enterprise can be taught to all levels if level-appropriate trainings are provided, repeated and strengthened by the trainers and local facilitators. Until now, the training of craft enterprises in craft skills, as well as business and management techniques depends on NGO support. Government agencies may need to consider if they can strengthen their own programs in enterprise development or skills training for ethnic minority communities. Local governments and association members also need training in craft enterprise development and marketing, as well as community development, so that they can be adept at empowering ethnic minorities.

2.7.9 Lessons Learned

- (a) **Training methods:** Literacy and numeric training can be linked to craft enterprise development. New training materials that can be used before and during training should be developed. Provision of different levels of literacy and numeric training to newly formed groups could be an important input of the Government. Government and association members serving as local partners in projects should also receive training in bookkeeping and business planning so that they will be aware of the group's training needs and can provide support. In this case, the establishment of formal cooperatives should not take place until group members are ready to assume management roles, and groups should grow slowly or in proportion to market demand.
- (b) **Documentation of traditional values:** Local skills and craft heritage should be documented to identify communities where craft development might be most beneficial
- (c) **Exposure to other groups and support:** Exposure to other ethnic minority crafts, or to similar groups in the region, provides important lessons and stimulus to ethnic communities and supporting agency stakeholders. Groups need to receive skills training and market knowledge from an NGO or other organizations. For instance, dye training for Khmer weavers from a Khmer weaving group in Cambodia was an appropriate activity for the Khmer in An Giang province.
- (d) **Governmental support for raw materials supply:** Production of better quality raw materials (e.g. dyes, silk yarn, etc.) should be followed at the national level. In particular, the Government should help ensure the domestic production of high-quality raw materials.

⁶ In the past, although the DOI in An Giang province provided trainings in weaving to all the cooperative's members, no major improvement was found. In this pilot project, the establishment of the core group developed skilled craftspersons and leaders who could teach their newfound skills to other members. The establishment of this more efficient method could earn the cooperation and understanding of the provincial government.

2.7.10 Recommendations to the Master Plan

- (a) **Utilization of Handbook:** Conduct workshops among government stakeholders and associations using the handbook to increase their ability to identify suitable groups to undergo training and to locate appropriate training. An NGO might lead the workshops. In any case, stakeholders need information on crafts as an income generating option, which is provided by the handbook.
- (b) **Support for exchange activities:** Develop systems that will provide exposure and exchange for ethnic minority artisans. One way would be to host provincial, or regional, craft fairs, where selected artisan community members' participation can be supported. Established craft groups could sell their products, while other artisans could come mainly to observe and gain new ideas.
- (c) **Technical information support:** Establish regional centers to provide information on improved technology (looms, silk, dye materials, etc.) Provision of necessary equipment or financial assistance should be considered as most of the craftsmen are facing financial difficulties and cannot afford to invest in equipment.
- (d) **Working and local environment:** In the weaving industry, mostly women are engaged in production within their homes. Looms are often installed in a small space and some processes, like dyeing and boiling, could be hazardous to residents. Government assistance in improving the workplace is necessary.
- (e) **Provision of training materials:** Create educational materials that link literacy and numeric skills with craft enterprise development and business planning.
- (f) **Strengthening of management capacity:** Guarantee that each project for developing a craft enterprise includes the development of each members' management capacity. This capacity can be improved through encouragement and training by the Government and association stakeholders. It may be that special training courses can be held for ethnic minority enterprise managers.
- (g) **Establishment and management of pilot shop:** Provide funding for groups to set up their own shops. Funding must include training in shop operation and sales.
- (h) **Participation to exhibitions and trade fairs:** Provide more opportunities for ethnic minority artisans to present and sell their crafts through national and regional exhibitions and sales, or through tourist information centers.
- (i) **Documentation:** Publish ethnic minority craft traditions and contemporary practices in publications that promote regional or provincial crafts.
- (j) **Protection of cultural property:** Provide protection to ethnic minority artisans through simple trademark policies or cultural property laws

2.8 PP8: Craft Village Development Strategy

2.8.1 Background

One important factor to ensure sustainable development of a craft village is the maximized use of internal resources. In other words, important community resources, such as community labor, which include professional skills and craft traditions, are very useful strategies in formulating inputs for craft village development. Nevertheless, external factors, such as policy-making processes, should be considered as well in the formulation of a craft village development strategy. Comprehensive agricultural economic development requires support policies on craft village development. An example is the Prime Minister Decision 132/2000/QĐ-TTg, a policy promoting craft village development and some other support programs implemented by international and domestic development organizations.

2.8.2 Objectives and Outcomes

This project aimed to formulate an appropriate methodology to support the craft villages to attract the optimal participation of the local people in formulating their respective sustainable development plans. The methods, experiences and lessons drawn from pilot development models developed in the project's framework will be replicated in other areas and sectors. In particular, the project's objectives are as follows:

- (a) **Assistance to villages in formulating development strategies for the craft village:** Come up with a proposed strategy for an integrated development of the craft villages to improve living standards, create jobs and generate income.
- (b) **Proposal on support mechanisms from government:** Identify necessary issues, concerns and countermeasures for an effective, socio-economic development of the craft villages in the process of rural industrialization.
- (c) **Situational analysis methodology using participatory tools:** Undertake a situational analysis of the craft villages using participatory methodologies and use these methodologies to assist communities in developing action plans.

2.8.3 Task Force

Task Manager:	Ms. Nguyen Thi Thanh Tam
Deputy Task Manager:	Ms. Nguyen Thi Thu Que
MARD Counterpart:	Mr. Ton Gia Hoa (DAFPPRI of MARD)
Local Team: Advisory Group:	Mr. Chu Tan Quang (CIEM of MPI) Mr. Vu Quoc Tuan (Governmental Office) Mr. Bui Xuan Vinh (Governmental Office)
Working Group:	Mr. Trang Van Vien (Ha Tay DOI) Mr. Nguyen Kim Bang (Ninh Binh DARD)
JICA Study Team:	Mr. Bui Dinh Toai Ms. Tomoko ABE Ms. Ayako WATANABE

2.8.4 Project Sites and Craft Items

Table 2.8.1 PP8 Project Sites and Craft Items

Province	District	Commune	Village	Craft Item
Ha Tay	Thoung Tin	Duyen Thai	Ha Thai	Lacquer
Ninh Binh	Kim Son	An Hoa	Village 8	Rush

Figure 2.8.1 PP8 Project sites



Lacquer in Ha Thai village



Rush in Village 8

2.8.5 Implementation Schedule

Table 2.8.2 PP8 Overall Implementation Schedule

	12	1	2	3	4	5	6	7	8	9
Preliminary work										
Secondary data review	■	■								
Project site selection	■									
Methodology development		■	■							
Working group selection			■							
Training in villages										
Ha Thai village, Ha Tay			■							
Village No.8, Ninh Binh				■						
Site survey/ Interview										
Ha Thai village, Ha Tay				■						
Village No.8, Ninh Binh					■					
Workshop in province										
Ha Tay					■					
Ninh Binh								■		
Action plan implementation										
Ha Tay						■	■	■	■	■
Ninh Binh										
Seminar in Hanoi										■

2.8.6 Contents of Activities

1) Project site selection

The following criteria were used in selecting the project sites:

- (a) Need to improve the local people's living standards through artisan craft development.
- (b) Potential opportunities for artisan craft development.
- (c) Potential opportunities for job creation.
- (d) Potential opportunities for artisan craft production export.

Based on the list of agreed criteria and the recommendations during the selection workshop, a list of possible villages was made. After visiting the candidate villages, Ha Thai village (lacquerware) in Ha Tay and Village No. 8 (rush products) in An Hoa commune in Ninh Binh were finally selected.

2) Working Group Selection

After the preparation of a participatory assessment methodology, two working groups in the selected village were organized.

The field teams consisted of representatives from different stakeholders in the village such as local authorities (representatives of People's Committees at the commune, district, provincial, and central levels), farmers, representatives of private enterprises, craft associations and craft households, master artisans, and craftspersons. Gender equity was considered during the final selection of the field team members. The field team actively participated in the survey and the planning process in order to understand the current socio-economic situation of the village and the economic function of craft production and how they could be enhanced.

These working groups were trained in participatory assessment methods and project information. Then, in coordination with the local consultant group, they participated directly in assessing the process of collecting information and in drafting the proposal for a developmental strategy as well as a village action plan.

3) Assessment Guideline

An assessment guideline with critical information areas was prepared. Key interview questions as well as assessment tools were developed. Examples of critical information areas are as follows:

- (a) Natural resources
- (b) Human resources
- (c) Financial resources
- (d) Infrastructure and other facilities
- (e) Organizational assessment
- (f) Influence of policy on craft village development

Participatory Rural Appraisal (PRA) tools were used, enabling groups of people to visualize their situations, resources, relationships, and challenges regarding the topics listed above.

4) PRA Training Course

This training course aimed to transfer PRA methodologies to the field team which included the Venn diagram, focus group discussions, wealth ranking, village mapping, key informant interview, seasonal calendars, and so on. The field team used PRA tools to analyze the current situation of their village, paint a picture of their vision and develop a strategy to achieve that vision.

The training course was followed by a site survey and interview in a selected village. Assessment and planning were conducted. Initially collected information included: (a) current overall economic options for the community, levels of poverty, general situational analysis of the village; (b) information on artisan craft production (working environment, production process, income, employment options, etc.); (c) current support policies on artisan craft production; and (iv) the ideal village scenario in five years.

The 24 participants to the PRA training highly appreciated the activity which was considered a success. It provided the participants with basic knowledge and skills in the conduct of a PRA. In addition, the local people's participation in the training provided positive results such as increase in awareness of such topics as sources of capital, potentials for village development, effects of imbalanced development of economic sectors, and environmental pollution. After the training course, the following were attained:

- (a) Participants acquired a deeper awareness and understanding of the means, requirements, principles, and content of methodologies used in assessing the craft village's situation by using participatory tools.
- (b) Participants acquired the knowledge and some skills to use participatory tools for analyzing the village's current situation.
- (c) Participants were able to take part in situational analyses that can be the basis of the development strategy and planning process of craft villages.

Figure 2.8.2 PRA Training



5) Situational Analysis

Using the PRA methodology, a situational analysis of the craft community was conducted for 5 days after the PRA training. This exercise helped Ha Thai villagers

understand more their current situation. To assess the current situation of the village, people's participation was mobilized to analyze their current situation and to identify issues and concerns as well as means to maximize locally available resources. After identifying strengths, weaknesses, limitations, risks, advantages, difficulties, and opportunities in economic, social, educational, and environmental aspects, participants of the assessment defined objectives and proposed solutions. Moreover, recommendations, suggestions for relevant organizations and authorities, and community expectations on external support programs beyond the objectives of the village's sustainable development, were discussed with the local people.

As a parallel activity, an interview questionnaire was distributed and collected from 36 lacquerware households. The questionnaire focused on a number of issues on potentials, as well as difficulties, and recommendations for promotion of the lacquerware development. Results of the assessment and interviews were then integrated by the Study Team and presented for discussion to the "commune working group" as a consensus-building activity on the outputs of the situational analysis.

6) Planning Craft Village Development Strategy

After the conduct of the situation analysis and interviews, a Craft Village Development Strategy was proposed. The main topics were the following:

- (a) Current situation of village (natural, economic, social, cultural, educational, environmental, and infrastructure conditions)
- (b) Activity of political and social organizations
- (c) Conclusion about favorable conditions and constraints in the village
- (d) Vision and strategy for sustainable development until 2010
- (e) Strategic objectives for sustainable development
- (f) Directions and possible measures
- (g) Action plan and Implementation plan
- (h) Recommendation and proposal for supporting organization

7) Provincial Seminar

Provincial workshops were organized involving participants representing district and provincial agencies and authorities (3 June 2003 in Ha Tay, 8 September in Ninh Binh). Participants offered valuable comments for Ha Thai village on how to improve strategy, especially in achieving the identified strategic objectives. In addition, the participants suggested support mechanisms for craft village development.

8) Completion and Commencement of the Village Action Plan

After the provincial workshop in Ha Tay, the village's strategic plan up to the year 2010 was improved and completed. Based on the strategy, the Ha Thai people, with the

continued support provided by the project, made the necessary arrangements for working out an annual implementation schedule and implementing initial projects within the strategy's framework. Two action plans of "traditional value preservation" and the "establishment of a Ha Thai Lacquer Association" were conducted, and one local coordinator, who was a craftsperson from Ha Thai village, was selected to prepare the establishment of the association and act as coordinator among the stakeholders.

2.8.7 Difficulties and Findings

- (a) **Undefined role sharing among agencies:** Ambiguous structure of supporting organizations from the central down to the local level, especially from the provincial level downwards, paints a picture of an ambiguous division of responsibilities, which does not indicate the main management agency.
- (b) **Inadequate policy implementation in the grassroots level:** To date, planning for village development has been carried out in a top-down manner. The local people expect that projects would bring about prompt material results. One challenge posed for the project is how to maintain the local populace's interest and enthusiasm in the initial stages when project results are invisible.
- (c) **Lack of understanding of villagers' capacity:** Specialists involved in the project have not had a full and adequate understanding and appreciation of the opinions, indigenous knowledge, experience, and skills of the local people.
- (d) **Challenge for holistic and comprehensive planning approach:** This was a large-scale and holistic project. The project considered the socio-economic, cultural and environmental variables to make a comprehensive development plan. Adequate implementation of this plan requires wide and in-depth knowledge.
- (e) **Lack of management staff in the villages:** At the local level, the biggest challenge is the lack of management and professional knowledge related to craft village development. In the two villages, the local people had valuable knowledge and experience on their craft livelihoods. However, the awareness of the environment, workers' health and strategic business aspects remain limited. Both localities lacked management staff with professional knowledge about craft professions. This is an underlying limitation in the promotion of rural careers at village and commune levels.
- (f) **Time-consuming and costly method:** The use of PRA tools in situational analysis and development planning was costly and time consuming. Some activities could have been combined and interlinked to reduce time and costs.
- (g) **Limited budgets of local governments:** District and commune budgets seemed not to have any items for the promotion of craft professions.

2.8.8 Impact on Craft Sector

- (a) **Village development vision built by villagers themselves:** The core of craft production is the producers living in the rural areas. Up to now, policies and plans

on craft promotion and regional development were all committed to higher governmental agencies. However, the proposed Craft Village Development Strategy would enable policy makers to draw the development plan in line with actual conditions and needs of the craft villages. In other words, the plight and voice of craft producing regions can be delivered to higher government agencies so that these government agencies can grasp more accurately the actual conditions in the craft regions.

- (b) **Impact on economic development:** In the two villages that participated in the project, the craft profession plays an extremely important role in generating income for the local people and the community, especially on job creation for local excess labor. In the development plan, most production households emphasize the necessity of maintaining and further developing their craft skills. Particularly, in Ha Thai village, the lacquerware industry is considered as a crucial economic activity and the main point of the locality's economic development.
- (c) **Action plan implementation:** In Ha Thai village and Village 8 of An Hoa commune, development plans were made with the participation of the local people and stakeholders. In Ha Thai village, the local people started implementing initial activities of their development plan. Action plans for the concretization of the development strategies were broken into parts to prepare more concrete plans and a budget plan.
- (d) **Comprehensive approach to planning:** Many localities lack comprehensive planning. Main problems facing communities are the negative impacts on the environment, inappropriate care for craft workers' health and large volumes of commodities with poor quality. The project helped the two villages in pinpointing the latter facts and identify their internal resources. From their findings, they made their development plan. The success of the pilot project created a positive impact on other villages, thereby making way for its replication and dissemination of methodologies and experiences.
- (e) **Participation of all stakeholders:** Relevant authorities, agencies from the provincial, district, and commune levels, the enterprises, and production households participated in the workshops. These activities had a positive impact on craft promotion in the whole region.
- (f) **Participation of governmental agencies:** Through the participation of officials from the province, district and commune levels, especially in the workshops and interviews, the significance, roles, experiences, and lessons of the pilot project were understood by government authorities.
- (g) **Enhancement of the strategic development methodology using a guidebook:** A guidebook on participatory methods for rural appraisal and planning of sustainable development for the craft villages was developed to assist the district and provincial officials, or consultants, in conducting similar activities in other craft villages. Apart from the transfer of PRA knowledge, lessons learned and experiences drawn from the pilot project's implementation that were presented in

the guidebook will contribute to successes in other localities.

2.8.9 Lessons Learned

- (a) **Necessity of adjusting and making policy systems:** Policy system should be adjusted more appropriately in terms of contents and measures as well as budgets. Budget disbursements must be clearly delegated to the organization for implementation.
- (b) **Establishment of support mechanisms for the craft villages:** Development of the craft villages will only be sustainable if relevant parties ensure appropriate coordination and clear delegation of responsibilities. In this process, the role of BDS providers needs to be further strengthened.
- (c) **Role sharing and responsibility among governmental agencies:** During project implementation, the role of authorities at various levels needs to be taken into serious consideration and the project should not bypass the participation of any authority. Local authorities that play an important role in implementing policies on craft village development are the provincial, district and commune authorities.
- (d) **Long-term planning and monitoring:** Due to time limitations, only short-term solutions were proposed. It will take some time to experiment with these solutions and make the strategy more appropriate to meet practical requirements.

2.8.10 Recommendations to the Master Plan

Promotion of career development at localities should be incorporated in a development program and planning based on economic development of the region and locality. In other words, the project and its results are not sustainable until they are in line with regional economic development plan. In order to ensure the pilot project's sustainability and enhance its outcomes, the following must be ensured:

- (a) Capability and pro-active and creative sense of local authorities.
- (b) Attitude and sense of participation of local people always need to be encouraged and mobilized.
- (c) Coordination among stakeholders, especially various government levels and relevant line agencies. Policies and financial support from provincial governments are important.
- (d) Role of support organizations, such as NGOs, through technical assistance and technology transfer is fairly important.

Direction of craft development needs to be studied in the context of the regional development plan. Local factors require proper consideration, especially the maximum participation of stakeholders during these processes.

At present, in the development process, the craft villages manifested difficulties and limitations. The underlying problem of craft villages is the lack of comprehensive

planning. Thus, in order to help them, especially the craft producers, their concerns must be considered and addressed in an integrated manner.

The community's internal resources, creativity and dynamics of community managers can play a decisive role in development planning, direction setting and strategizing.

Each locality and craft village has its own typical conditions, potentials, resources, and strengths. Their commonality is limited and this in turn restricts the formulation of a common craft village development plan. The only points that craft villages learned and exchanged were the approaches and methodologies of making situational analyses and development plans in this pilot project. In the project, the proactive participation of the local people in making assessments was crucial. Therefore, a comprehensive rural career development plan must emphasize the methodology of situational appraisals and planning with the participation of the local people and stakeholders.

The comprehensive plan should propose specific solutions to the problems of the craft villages. Nevertheless, solutions need to be interlinked and incorporated in an appropriate way and context. The comprehensive plan should present specific requirements for policy systems, especially institutions, organizations, agencies deploying policies to support development of the craft villages.

3. EVALUATION OF PILOT PROJECTS AND ISSUES

3.1 Craft Information System

3.1.1 Achievements

- (a) **Provincial information network:** The network built with the provincial governments (DOI and DARD) through their participation in the craft mapping survey, study seminars and workshops would be valuable when craft information by province is needed.
- (b) **Establishment of information system among the 61 provinces:** Various information and data at the provincial, commune, and craft village levels were collected with substantial help and assistance from both the DARD and the DOI, the two acting as custodians of the craft sector at the local level. The data along with those gathered from the mapping survey will serve as the basis for the creation of a craft profile of all the 61 provinces and the approximately 2,000 craft villages.
- (c) **Strengthening of concerned organizations:** Nongovernmental agencies, such as the VCA, VCCI, VIETRADE, VARISME, etc., shall take the lead in promoting small and medium enterprises and export. Although the organizational structure and activities of vocational schools and local museums all over the country are not yet linked, the establishment of a nationwide network can be achieved through further endeavors.

3.1.2 Issues

- (a) **Lack of technical expertise on website management:** The MARD intends to update and improve the existing craft website information as well as improve the information system among all the provinces and the agencies involved in the craft sector. Achieving this requires the development of human resources. Since the MARD's Center of Information is the website administrator, it is planning to provide technical training on website management to each province so as to strengthen the system's technical aspects including access and maintenance.
- (b) **Lack of information updating capacity:** The advantage of a website lies in its ability to update information at any given time, as long as manpower is at hand to collect and sort out information. However, as the pilot project strengthened capacities for information collection, the MARD's capability to process and provide information on the website remains weak. Its ability to analyze market and import-export data in particular still has to be improved. VIETRADE and the VCCI, who both specialize in trade and SME promotion, excel in this area. The development of human resources on such areas as raw materials, technical information, etc, is necessary to enhance the MARD's ability to update website data.

3.1.3 Actions to be Taken by Vietnamese Stakeholders

- (a) **Strengthening of information collection and processing capacities of provincial government:** Results of the mapping survey were distributed to the provinces to serve as their respective databases. The effective use of the database in formulating policies and plans at the provincial government level is thus expected. In Ha Tay province, analysis of the mapping survey results was presented to the Provincial People's Committee, and it has used the data at various occasions for policy discussions.
- (b) **Continuation of mapping survey and information utilization:** The results of the mapping survey proved valuable for the respective outputs of various agencies¹ as well. It is anticipated that the results will be used not only in the promotion of the craft sector, but in the overall pursuit of rural development, industrial promotion and economic advancement.²
- (c) **Enhancement of information management:** The pilot project showed that information source on the respective craft issues were scattered, thus preventing an exhaustive information collection and in-depth analysis of each issue, such as raw material supply, techniques, design, marketing, etc. Consequently, strengthening data collection is needed which can be done by assigning persons to be exclusively in-charge of information management aside from the government authorities, craft specialists and researchers in the proposed organization for craft sector management.
- (d) **Establishment of alternative information dissemination tool:** Internet use is not yet common in Vietnam. The craft villages in the rural areas especially lack infrastructure for communication linkups with urban areas. For instance, publications on craft, seminars for business managers and participation in fairs, which are considered effective, have yet to effectively trickle down to the rural villages. Difficulties in obtaining documents, magazines and references from overseas are a bottleneck in terms of information access especially for craft producers and designers, who need to be well versed on both domestic and overseas products and how Vietnamese craft items are faring in the foreign market. With respect to collection and provision of craft references from domestic and overseas sources, a review at the government level (e.g. MOCI) of the collection and disclosure of information is needed. The private sector and the NGOs are also encouraged to share information that will benefit the craft sector.

¹ VIETRADE, in its "Vietnamese Handicrafts & Traditional Craft Villages – Ceramics" issued in August 2003, adopted a nationwide distribution of ceramic villages based on the results of the mapping survey.

² From the industrial promotion point of view, UNIDO intends to use the data obtained from the mapping survey in their cluster development project. Also Tadashi Kikuchi, faculty of policy management data analysis department at Keio University, Japan, has expressed the possibility of using it for macroeconomic analysis.

3.2 Craft Cluster Development

3.2.1 Achievements

- (a) **Strengthening of business management capacity:** Post-pilot project interviews of beneficiaries from the local governments, the concerned organizations and enterprises in Ha Tay and Quang Nam provinces showed that they were highly satisfied with the activities on business management capacity enhancement. Both provincial governments are keen on continuing such activities. High sustainability is thus anticipated. Furthermore, the possibility of replicating this project throughout the country appears high.
- (b) **Conduct of training programs for craft workers:** An evaluation of the training programs showed that they were highly appreciated. Quang Nam province intends to carry on the activities as they were conducted in the project. During the implementation, skilled craft workers and instructors from Ha Tay province were sent to Quang Nam province which lack capable trainers. Such technical exchanges by provincial governments were well received by concerned parties.
- (c) **Creation of training manuals:** Several training manuals were produced. The “Business management and production process improvement manual”, which is based on the Japanese approach for managers of micro, small and medium enterprises, is one of the manuals that share and spread know-how. The manual allows for a quantitative understanding of the levels of improvement through numerical evaluation. The “Woodcraft training manual” and “Bamboo and rattan craft training manual” were prepared by craft specialists and craftspersons. Explanation of tools and design guidance, etc. are described clearly with illustrations. The manuals were well received by instructors and trainees. Their replication in other provinces is anticipated.
- (d) **Quality improvement of silk yarn and hand-woven silk products:** In Thai Binh province, the quality of silk yarn and silk products remarkably became better after improvement of the silk reeling process. The impact it made on producers themselves was significant and concerned parties have started to develop new products for the market. As a result the pilot project and thanks to the collaboration between DOI and DOSTE, Thai Binh PC approved the standard of yellow hand-spun silk yarn in December 2003 ¹⁾ After this decision, the silk yarn can be sold with the certificate of inspection. The market expansion of Thai Binh silk will be expected.
- (e) **Strengthening of provincial government initiative:** With Ha Tay’s DOI, Quang Nam’s DARD and Thai Binh’s DOI acting as counterparts of the Study Team, technical transfer was achieved in the pilot project. Provincial government staff visited craft villages and provided consulting services and training to producers. Thus, know-how was transferred to producers, while the provincial governments’

¹⁾ “Decision of Thai Binh People’s Committee, Release of Local Standard, 27/TCV 02 – 2003: Yellow Hand-Spun Silk Yarn – Technical Requirements”, issued December 16th 2003

understanding of the present status and issues of craft producers were deepened.

3.2.2 Issues

- (a) **Shortage of manpower within governments:** Provincial government officials are keen to continue activities conducted in the project and their further involvement is being discussed (see Chapter 3.3.3 for details). Japanese specialists directly trained beneficiaries during the implementation. In order to continue the training, local instructors with similar expertise are needed. To pursue provincial government initiatives, developing human resources with specialties in business management, production management, quality management, and others is necessary.
- (b) **Importance of private sector cooperation:** To improve business management skills, donors and BDS providers held seminars and training programs for managers as part of the small and medium enterprise promotion or support for entrepreneurs. Existing programs are usually conducted in urban areas and such programs are often not intended for microenterprises in rural areas which are the core of the craft sector. With the cooperation of program administrators, like donors and BDS providers, activities to improve business management skills through public-private partnership would be possible. Such activities can include conducting seminars at the provincial level by specialists and instructors invited by the provincial governments.
- (c) **Final assessment by the market:** In assessing the impact of the pilot project, what is important is not just deepening the awareness and consciousness of managers and enhancing workers' productivity, but also increasing the market's appreciation of the products, i.e. being able to sell more. In particular, the impact on sales of improved production processes (e.g. amount of sales, number of tourists, etc.) and better-quality silk yarn and silk products should be continuously assessed and monitored.
- (d) **Clarification of responsibilities of provincial agencies:** The DOI is often in charge of assisting provinces where craft production is active. In the case of Quang Nam province, the DARD, the counterpart for this pilot project, has a department assigned to crafts, but its staff is few, with limited operation and little experience in business counseling. On the other hand, the DOI has established the Industrial Promotion Center which is run by 17 staff members providing business counseling. This shows that the DOI has a larger capacity in terms of experience, structure and human resources than the DARD. The Center, however, does not have experts in business and production management. In order to carry on the pilot project's activities through the Center, training trainers is indispensable. Quang Nam province has organized an industrial promotion management committee composed of the DOI, DARD, DOT, and DOF and spearheaded by the Provincial People's Committee. The outcome of the pilot project was reported to the relevant departments of this committee. Since the province conducted several projects in the past in partnership with the DOI and the DARD, particularly in the field of craft promotion, assigning responsibilities to concerned parties and establishing a more

effective activity structure are expected.

3.2.3 Actions to be Taken by Vietnamese Stakeholders

- (a) **Establishment of consulting center (Ha Tay province):** The proposal to establish a business consulting center as part of the DOI was already submitted to the Provincial People's Committee. Three DOI officers who received training through the pilot project will serve as full-time local consultants. Increasing the number of staff is expected in the future. Aside from giving training in business management and production improvement, the center will provide assistance to entrepreneurs (advice on registration procedures, studio design, renting premises, loan applications, etc.; conduct of feasibility studies; etc.). Other services, like marketing and design guidance, and being financially independent by charging fees to certain services are being considered.
- (b) **Utilization of industrial expansion program:** The provincial government, through the DOI, is conducting craft training, etc. utilizing the industrial expansion program. In this pilot project, training was not limited to production techniques, but also covered areas where existing skills are lacking among the craftspersons such as business and production management, quality improvement, etc. In addition to providing training courses, specialists visited enterprises and directly taught them. The effect of this outreach program was also significant. As a framework for craft-related human resources development, diversifying industrial expansion program will be effective.
- (c) **Manpower exchange between production sites:** Ha Tay province has established a working relationship with other provinces on many aspects including the establishment of policy mechanisms for craft promotion, dispatch of master artisans, and so forth. As craft promotion's pioneer, Ha Tay province clearly intends to further assist other provinces in this regard. Instructors from Ha Tay province's art school have already provided technical guidance in other provinces. The need for financial assistance from the government and others, for such activity is considered high.
- (d) **Technical training and creation of manuals:** The jurisdiction over the Quang Nam provincial vocational school was transferred from the DOLISA to the Provincial People's Committee. Interministerial coordination is no longer necessary and further enhancement of activity efficiency is anticipated. Based on lessons learned from the pilot project, a new craft course is under consideration. The new course aims to develop craftspersons equipped with business skills by inviting master artisans from within the province and outside as instructors, teaching modern, efficient techniques as well as business management. By limiting target items to popular crafts produced in the province – bamboo and rattan products, woodcarvings, and ceramics – an understanding of the common issues facing such items and the search for solutions are considered necessary. The vice president of the school participated in the project as one of the local consultants, thereby obtaining insights on how best to teach the new course. Relationship between the

DARD and the DOI is good and their continued cooperation is expected. Additionally, craft specialists and craftsmen engaged in the making of the training manuals were keen to prepare those for other craft items.

- (e) **Utilization of quality inspection system and technical training:** With respect to the establishment of inspection systems and quality standards, industrial products have quality standards but there are none for handicrafts. None of the provinces have established a silk yarn inspection system. Thai Binh provinces succeeded in creating one as the first of its kind. Other provinces who use the system in the future need to pay royalties to the province. Along with such prospective future incentive, the provincial government is keen on providing training to weavers for whom technical assistance and training (e.g. on cocoon selection, spinning, weaving) can be provided. With respect to inspection, the Central Sericulture Research Organization (CSRO) has inspection specialists that were involved with the pilot project. In the meantime, the DOSTE is in charge of quality inspection. These two organizations should take the lead in expanding the adoption of the inspection system by all the provinces.

3.3 Preservation of Traditional Values of Artisan Crafts

3.3.1 Achievements

- (a) **Use of participatory approaches to research:** The pilot project used “Photovoice” a method used to share knowledge on village life through photographs taken by the villagers themselves, and which portrayed the cultural and traditional aspects of their lives and crafts and the need to preserve them. The characteristics of this method are: it allowed villagers to identify and trace their traditions by themselves; it recorded the various aspects of craft village life not limited to traditions but also their daily existence as it interfaced with their craft work; it proved to be an interactive research method among researchers, specialists and villagers; and, it turned photography and the photographs into an effective communication tool which paved the way for an exhaustive research even in ethnic villages that speak different dialects. This was a new approach in finding out the value of craft items rooted in the livelihood of the craft villages. The method was recalibrated or altered to suit the villagers’ convenience. In the end, it was established as a successful participatory approach to research and was detailed in the manual.
- (b) **Detailed information collection in craft villages:** The participatory approach of the research allowed the collection of detailed information on the value of traditional crafts. The outputs of the project were highly appreciated by the staff of the Vietnam Museum of Ethnology (VME) and other concerned parties. Previous methods were carried out unilaterally from researchers’ perspective through field surveys and interviews and rarely made an impact on the craft villages and the craftspeople themselves. Dialogues between researchers and villagers also raised the latter’s awareness of traditional values, craft villages and craft promotion especially among the youth and senior craftsmen. The discovery of vanishing traditional

techniques and motifs by the beneficiaries themselves is considered one of the major highpoints of the project from the viewpoint of traditional value preservation.

- (c) **Utilization as tourism resources:** A one month exhibition was held at the Vietnam Museum of Ethnology in conjunction with the final study seminar. The photographs and items on display did not only serve as project achievements but also became valuable sources of information for tourists on Vietnamese craft items, traditions, and the sources of livelihood of the ethnic minorities. Visual presentation is important for craft promotion, and photographs are an effective tool to promote Vietnam's crafts to tourists.

3.3.2 Issues

- (a) **Coordination with existing studies and craft specialists:** The study of the results of the "Photovoice" were mostly done by the VME researchers, no professional analysis and use were made by craft specialists and researchers. The current task is how to position the "Photovoice" technique as an academic research method and link it with existing studies. "Photovoice" mainly records present conditions of the craft villages. Research on traditional values and motifs that have already vanished should be done not only through "Photovoice" but through existing research methods and their outputs as well. A study using an integrated research system should be expected.
- (b) **Lack of study financing:** The "Photovoice" method requires cameras and other equipment. To apply this method on a national scale would need adequate financing which needs to be studied. Recording researched data not only through photographs but also through sketches and other methods may be applied. To replicate this project nationwide, an appropriate study method should be sought by taking account of regional characteristics.
- (c) **Lack of capacity of local museums:** All 61 provinces have museums. However, many have closed down due to funding problems, insufficient number of visitors, and poor management. Almost no research activities are ever conducted because of the absence of curators. Many museums only have administrators. These museums are managed by the Provincial People's Committee and not by the central government. In order to carry out research activities, the utilization of local resources is important. Human resources and know-how, which lie at the core of such researches, are both lacking at the local museums.

3.3.3 Actions to be Taken by Vietnamese Stakeholders

- (a) **Linkage to tourism development:** Na Sang II village in Lai Chau province, one of the designated craft villages, drew the attention of concerned local government authorities at seminars and was included as a candidate site for the Cultural Tourism Village³ program. These officials have also recognized that attracting

3 SNV, a Dutch NGO, is considering providing assistance to Na Sang II through the Lai Chau provincial tourism development project which it is implementing.

tourists to mountainous and remote areas is important to generate more income for craft producers, and that craft promotion plays an important role in tourism development in Lai Chau province. Also in Dai Bai village, Bac Ninh province, an exhibition of traditional crafts was held at the village community center. The items will be permanently displayed to attract more visitors and raise public concern for traditional crafts.

- (b) **Future craft development and promotion activities:** Based on the information collected and analyzed through the pilot project activities, craft development and promotion activities, such as training to improve production techniques and enhance business management skills, product development; public relations activities, etc., in designated craft villages should be anticipated. Such activities should be achieved by stimulating the interest of the provincial government and various support groups through exhibitions. It is presumed that continued activities will motivate villagers to participate in them, leading to the development of their craft villages through their own effort and initiative. It is also hoped that this would bring about the preservation of traditional techniques and values. How villagers use the outputs of the “Photovoice” method and tailor them to suit their own development activities is an important consideration.
- (c) **Continuous activities of Vietnam Museum of Ethnology:** With respect to research on traditional craft values, the VME is considering the following activities: providing technical training courses, conducting seminars and classes on traditional hand-made production methods, seeking production methods using machines while retaining traditional values, conducting seminars for high school students on crafts, etc. Academic circles are expected to collect old designs of arts and crafts that possess traditional values and archiving craft-related information. The VME has likewise planned to hold seminars and exhibitions jointly with local museums and universities in Vietnam’s southern provinces and cities, like An Giang, Can Tho, HCMC, etc., so as to disseminate the use of the research methods.

3.4 Establishment of Design Promotion System for Artisan Craft Development

3.4.1 Achievements

- (a) **Better understanding of design through design guidebook:** The creation of a design guidebook, has resulted in a common understanding of the concept of design among various parties involved in this pilot project. In the past, the north particularly Hanoi, design was interpreted simply as art, and its business aspect was not implied at all. Coming out with a design guidebook and experiencing a series of design processes have contributed to the shift in the perception of design. On the other hand, for the enterprises, relevant government agencies, universities, etc. in HCMC, already understood the concept of design as having a marketing aspect. Thus, it is expected that the perspective of the pilot project would be readily accepted by a broader spectrum of stakeholders in the south.

- (b) **Movement toward design promotion:** The main objective of activities in the pilot project focused on facilitating a common understanding of design. There was a wide range of activities to achieve this objective such as using regional characteristics and traditional values as design sources, strengthening potentials of design for increased competitiveness, developing human resources, and conducting educational campaigns. In this project, examples from the Japanese design promotion activities were utilized in the initial step taken with the cooperation of concerned parties.

3.4.2 Issues

- (a) **Lack of coordination among design-related activities:** Fostering and strengthening the capacities of small and medium craft-related industries are essential for Vietnamese crafts to further tap into the international market. To promote such objectives, various activities have been conducted mainly for promoting industrial design.⁴ The inadequate linkage with agencies responsible for industry promotion, like VIETRADE and VCCI, the strong perception that “crafts equals to arts” among craft specialists, and the importance of linkage with the industrial field were not discussed thoroughly in the pilot project. Informing not only the younger generation but also the craft specialists and traditional craftspersons on the value of design in industrial promotion and implementing design promotion is necessary.
- (b) **Government support in design promotion:** To strengthen the competitiveness of Vietnamese crafts while maintaining their uniqueness and traditional value, government assistance on the use of design, know-how, and techniques; conceptualization of design; and copyright laws should be sought.⁵ There is no central agency managing Vietnamese craft promotion. Although the creation of a design center under the MOI is currently being discussed, there are no concrete plans to put it in place.

3.4.3 Actions to be Taken by Vietnamese Stakeholders

- (a) **Utilization of the design guidebook:** The produced design handbook will bring about a common understanding of the concept of design. The Hanoi Industrial Design University is considering its use in their classes. Vocational schools are often flexible in changing their curriculum. Schools offering design courses may be able to adopt the guidebook rather than relegating it to craft designs only. The guidebook was well received by the VIETRADE, the VCCI and other institutions responsible for industrial promotion. If they introduce it at seminars they conduct, the guidebook can be a tool to link the industrial sector and the academe.
- (b) **Creation of design center:** Concerned staff of the Hanoi Industrial Design

⁴ E.g. Design Exchange Mission (1996 -1999) by International Design Exchange Association; seminar and workshops for the Design Promotion Support Project (1999 - present); ASEAN design selection seminar (G mark project) by VIETRADE and ASEAN Japan Center in 4 March 2003 as well as in the previous year. At all events, craft was viewed from the perspective of industrial design and daily goods.

⁵ Industrial rights including copyright.

University, the enforcing agency, is considering the creation of a design center in HCMC. In the plan, the center intends to create designs according to orders placed by enterprises and to set up two departments – one for “fostering designers” and the other for “research and development”. The former department would train would-be designers using the design guidebook created by the pilot project. The latter department would conduct research on antique crafts and link up with national research institutes, such as the VME, Fine Art Institute, History Museum, and craft collectors in the region.

- (c) **Design promotion activities by private sector:** The responsibility for investment and trade promotion lies with the HCMC People’s Committee and the universities in HCMC. The latter provides assistance to enterprises requesting for assistance in terms of design. Concerned parties in HCMC and the Study Team feel that such functions need appropriate skills and knowledge that are presently lacking. Thus, enhancement of their capacities is indispensable. Skills improvement is anticipated by the use of the design guidebook, which should have greater distribution and wider circulation, both being necessary. Furthermore, design promotion activities, like the improvement of appropriate skills, dispatch of design specialists with government assistance, technology transfer to the private sector by foreign designers, etc., are needed. Aside from such activities based on the requests of enterprises, the center should be able to coordinate between designers and markets (enterprises) and foster a closer linkage among designers to promote design activities more efficiently. It is anticipated that such center would create further impact should it transcend its function of design promotion and elevate the designers’ position in society, such as setting workplace standards and providing benefits to designers.

3.5 Development of Competitive Products for the International Market

3.5.1 Achievements

- (a) **Development of coordinators:** Through product development processes, a number of skillfully made ceramics, stone carvings, wood carvings, and bronze products were produced with the help of the coordinators. The concept of “coordinator” is new in the craft sector, and developing several of them for the first time was one of the major achievements of the project, especially since human resource development is important in Vietnam. Coordinators are expected to be the key persons linking international markets and craft villages. It is anticipated that they will play a significant role not only in ensuring an active design scene and market but also in creating a new path for craft villages in rural areas which lack technology and information. The importance of coordinators was strongly recognized by concerned provincial government authorities.
- (b) **Product development using Vietnamese traditions:** Although skillful techniques are handed down, Vietnamese crafts are still lacking in ideas and creativity, thereby making them uninteresting products for sale. In an effort to target the overseas market, new products were developed utilizing traditional Vietnamese techniques

and motifs. Realizing the potentials of the Vietnamese crafts by the producers themselves has become another outcome of the pilot project.

3.5.2 Issues

- (a) **Clarification of coordinators' skills:** Due to the crucial role of coordinators will play on product development, concerned government authorities and officials from the academe have indicated willingness to include training and craft classes at vocational schools to help in the development of human resources for the craft industry. Coordinators' skills and knowledge, however, should not be centered on the craft items, but also include design understanding, market analysis and negotiation, language skills for actual sales activities, etc. Training methods should be further reviewed as soon as a consensus on the role of coordinators is arrived at among concerned parties.
- (b) **Training of coordinators:** On-the-job training is the preferred method in the development of coordinators. However, due to the lack of a common understanding among private entities and markets on the role they will play, the definitive development of such kind of training is limited. Under current circumstances and the cooperation of relatively larger enterprises, training in-house coordinators and seeking employment for them is an option. In the future, coordinators may liaise between buyers and production sites, meaning they will replace the traditional middlemen in connecting production areas with buyers. Their tasks will include linking or mediating between overseas buyers and skilled craftspersons and designers, among other things.
- (c) **Sales and market evaluation:** Evaluation of the developed products was limited to the exhibition held during the project. International market testing was not provided at the time. Testing products among overseas buyers is important so as to determine whether or not the process taken in the pilot project can be continued. Additionally, holding an exhibition in Japan and elsewhere may require considerable resources.
- (d) **Sales and market evaluation:** Evaluation of developed products was limited to the exhibition held during the project. International market testing was not provided at the time. Testing products among overseas buyers is important so as to determine whether or not the procedures and methods made in the pilot project can be sustained. Similarly, holding an exhibition in Japan and elsewhere may require considerable resources.
- (e) **Copyright protection:** Although a copyright law exist, it has not proven effective pending the corresponding penal code that will make its breaching effectively punishable. This absence of protection has been the major negating factor that hinders the creation of better designs and has provided designers no incentives to commercialize designs. Improvement and enforcement of copyright protection is critical to propel product development processes forward through the help of coordinators, to promote design marketability and encourage designers to create

high-quality designs.

3.5.3 Actions to be Taken by Vietnamese Stakeholders

- (a) **Training of coordinators through educational institutions:** Awareness on the importance of increasing the number of coordinators is growing. Vietnamese personnel who participated in the project as local task team members and who received technical transfer from the Japanese specialists are expected to train others in the future. As an example, having these coordinators teach at schools and universities to future coordinators is a conceivable method.
- (b) **Assistance by administrative agencies:** The DOI of Ha Tay province, the establishment of a center that provides comprehensive support on business aspects to the craft villages, enterprises, and producers for craft promotion is under discussion. One of their intentions is to utilize coordinators as one of the functions of the center. Considering various supporting activities, including providing training opportunities for coordinators to have a wider range of skills, studying the needs of the industrial circles, furthering matching projects, etc. is needed.
- (c) **Utilization of coordinators by private sector:** Coordinators are expected to act as a bridge between designers and producers and, in the future, serve as middlemen to connect production areas and buyers. The tasks of product selection, mediation on negotiations and contracts, etc. are likewise expected.⁶ For these instances, seeking an understanding of objectives and the roles of coordinators for relevant enterprises, and developing coordinators through on-the-job trainings in product development and others are desired.

3.6 Environmental Improvement of Craft Villages

3.6.1 Achievements

- (a) **Clarification of environmental issues at craft village level:** The field surveys and discussions in the series of workshops showed that wastewater flowing out of nearby factories was adversely effecting the environments of craft villages. A consensus was reached among concerned parties on the importance of addressing this issue. It became clear that on environmental reform, actions at the village level were not adequate and involvement of government entities (i.e. provincial, district, and commune levels) is indispensable. Common awareness was also created among the concerned parties that an initial step toward environmental reform involves the following three aspects: (1) making improvement on the technical aspect, (2) addressing the financial aspects and (3) social understanding (i.e. rising awareness on environmental matters).
- (b) **Preparing environmental reform guidelines and manuals:** In Van Phuc village in Ha Tay province, a project designated area, a working group was formed by

⁶ At present, overseas buyers hire interpreters in urban area and mostly conduct product development and deal with limited private enterprises. Thus they often do not know about other craft villages and enterprises.

concerned villagers and related agencies including the DOI, the DONRE and others to discuss the issues on the environmental reform in the village. In the past, projects and plans related to environmental reform were implemented in Van Phuc village. However, they remained mere technical inquiries having no concrete improvements. In this pilot project, simple guidelines and manuals were prepared for the craft households and communities based on the environmental issues the villages were facing. A necessary equipment model for environmental reform in Van Phuc village was also prepared.

3.6.2 Issues

- (a) **Developing consensus-building systems for responsibility structure:** To carry out proposals for improvement, roles of each stakeholder (government agencies, enterprises, household industries) need to be reviewed and agreed upon. Although they were anticipated, including the budget issues, consensus was not obtained in the final seminar of the project. Issues under consideration were brought to the DOI. No agreement was made with other agencies including the DOST and the DONRE. In Ha Tay province, environmental concerns were considered as one of the major concerns on craft promotion; thus, it is conceivable that an agreement can be reached through concrete proposals by the DOI's initiative and through continuous discussions in workshops, among others.
- (b) **Understanding and cooperation of craft producers:** Concerned government agencies are still in the dark on the exact level of consciousness craft producers have on the adverse impacts their livelihood is creating on the environment and their willingness to reform. In Van Phuc village, factories generally remain blind to appeals from government,⁸ and many issues continue to fester on some aspects of industrial promotion.
- (c) **Relocation of production areas to industrial zones:** A program to relocate production areas to industrial zones has not been effectively carried out. The policy was adopted recently throughout the country to create better living conditions by separating production areas from residential spaces. The plan has yet to gain headway and the issue of funding has been the major roadblock, which is common to all provinces. In Ha Tay province, the provision of soft loans to speed up transfer have not budged enterprises from their working sites because they are still asking for further support. Stressing funding issues and requisites should be kept in mind in discussions on environmental protection.
- (d) **Financial sourcing for environmental improvement:** While the necessary system ensuring environmental improvement has already been designed for the craft villages, it should be noted that the design may need further improvements. The need for financial assistance was confirmed at this stage. Among the things to be considered are fund raising by producers and villagers, petitions to central

⁷ At present, overseas buyers hire interpreters in urban areas and mostly deal with a limited number of private enterprises. They often do not know about other craft villages and enterprises.

⁸ Villagers in the neighborhood have protested against these factories in the past.

government agencies such as the MOST and the MONRE for assistance, financial assistance from donors, etc.

3.6.3 Actions to be Taken by Vietnamese Stakeholders

- (a) **Review and execution of existing plans** : The DOI, the DONRE, and other related agencies, have formulated several action plans for Van Phuc village. Some of these plans are already being implemented. The outputs, i.e. plans, of the pilot project have been left entirely with the DOI in Ha Tay but further discussions about them are needed, after which necessary actions to ensure prompt implementation should be taken.
- (b) **Facilitation of awareness of environmental protection**: Environmental protection guidelines and manuals include measures on how to address the environmental issues the craft villages are facing. The measures are easy to implement; providing appropriate guidance to make sure that they are followed thoroughly are expected. The participation of craft workers, craft households and government authorities in planning environmental improvement measures is important. In Ha Tay province, publicity is actively pursued with the participation of local TV and radio stations. Utilizing the media increases the chances the measures in the manual will be properly followed.

3.7 Strengthening of Management Capacity of Ethnic Minority Craft Villages

3.7.1 Achievements

- (a) **Strengthening of management capacity of ethnic minorities**: In Lai Chau province with the H'mong group and An Giang province with the Cham group, local NGO trainings helped strengthen the ethnic minorities' business skills and know-how. Unlike most Vietnamese, which by lineage belong to the Kinh group, ethnic minorities often take for granted the traditional and economic values of their craft items. Strengthening their business skills and capacities is vital in helping preserve their traditions and values while at the same time increasing their incomes.
- (b) **Market-catering product development**: Management innovations, training, and design improvements have created products that utilize unique ethnic motifs – like scarves, handbags, pillowcases, etc. – and are sold in local markets, NGO shops, and other outlets.
- (c) **Creation of handbook on ethnic minority assistance**: The lessons learned from the pilot project, e.g. the necessary human resources as well as the active role and assistance of the various levels of government, are contained in a handbook to guide the provision of assistance to ethnic minorities. In the past, NGOs gave aid to ethnic minorities based on donor experience, local conditions and mostly without the coordination and knowledge of provincial governments. The distribution of the handbook to local government agencies, donors, NGOs, and others that intend to assist the ethnic minorities increases the hope that a common understanding of the

needs and plight of their beneficiaries and the appropriate assistance needed will be achieved.

3.7.2 Issues

- (a) **Appropriate duration of assistance:** Based on the experiences of NGOs, assistance to the ethnic minorities requires a minimum of three years to guarantee that they will thoroughly understand the need to shift from producing for their own consumption to producing for the market, and in doing so alter/improve their production skills. Fortunately, in the pilot project, even though the An Giang target group had already received NGO assistance while that in Lai Chau had received none, their keen interest resulted in positive outcomes upon completion of the 11-month project duration. In general, however, the appropriate term for a project should be determined by paying special attention to the beneficiaries' inexperience with outsiders and their lack of knowledge of the craft market.
- (b) **Timing of project completion:** Setting up quantitative goals at the end of a project will be difficult. Determining when a project should be terminated will need guarantees indicating that a beneficiary group has acquired competency in business management, can develop products on their own and sell them regularly in stable markets.
- (c) **Local government assistance to ethnic minorities:** At this point, it is difficult for ethnic minority groups that have received assistance to express their willingness to continue the activities by themselves after project completion. Local governments, the Women's Union, in particular, should therefore turn their attention to their own craft promotion activities in order to respond accordingly to future requests for assistance.

3.7.3 Actions to be Taken by Vietnamese Stakeholders

- (a) **Continuation of product development by target groups:** The manner in which the target group could continue craft development activities was discussed among the concerned parties after the conduct of the on-site trainings and seminars. The consensus was that for the most part, the NGOs, the main executing body, should take the initiative in such tasks as placing orders and selling the products at NGO shops, including reporting the outcome of the pilot project to other NGOs for continued assistance, etc.
- (b) **Utilization of handbook:** As one of the outputs of the pilot project, the "Handbook on Ethnic Minority Craft Assistance" was created for government authorities and relevant agencies. The use of the handbook is recommended in carrying on further activities. At the final seminar, the handbook was distributed to concerned government authorities, with its objectives and recommended usage explained by the NGOs. Before this, there had been no document on ethnic minority assistance focusing on craft promotion. The handbook consists of valuable information useful not only to the NGOs and the craft industry stakeholders, but likewise to concerned government authorities responsible for making policies and providing financial

assistance. A wide range of utilization is conceivable. For example, due to the popularity of Vietnamese crafts in the international market, the distribution of the handbook to overseas organizations and trade fair organizers especially those handling ethnic minority crafts will be most useful.

- (c) **Assistance by local governments:** Participants, local government authorities, the Women's Union in Lai Chau and An Giang provinces have voiced intentions to continue the trainings, although it is expected that they will implement them on their own. Sharing information through trainings, interregional exchanges and the like are effective as ethnic minority groups living in remote and mountainous areas are uninformed about the current state of craft production, sales activities, or latest market trends. In addition, such activities provide participants with the opportunity to understand the various aspects of craft production and sales as well as increase their knowledge and improve their techniques. The pilot project exposed the enormous gap between ethnic minority communities and the commercial markets, both literally and figuratively. Based on the basic knowledge obtained through the pilot project, putting in more effort is thus needed. Establishing such connection was widely recognized by various stakeholders of the pilot project, particularly the government authorities.

3.8 Craft Village Development Strategy

3.8.1 Achievements

- (a) **Preparation of commune and craft village master plans:** A development strategy was prepared for the craft village of Ha Thai in Ha Tay province, as well as for the An Hoa commune and Village No. 8 in Ninh Binh province, with the participation of the villagers and other concerned parties. The strategy was based on the analysis of the roles of craft promotion in addressing the issues faced by the target areas. It is composed of three sections – an analysis of current conditions in the commune and the craft villages, a master plan and an action plan. The strategy can be used as a tool in seeking assistance from government authorities, donors and NGOs. The strategy, which was officially announced to concerned agencies at the provincial, district and commune levels, was well received. Although the two villages differ in terms of craft production history and nature of local government, both have equally high expectations on the strategy made with the villagers' participation, which indicates a high potential of applying the same strategy in other parts of Vietnam.
- (b) **Implementation of action plan:** In Ha Tay province, the action plan for the provincial craft promotion master plan is under review. Government authorities now intend to establish a craft association there and take further action to address craft promotion issues including seeking assistance from relevant agencies and others.
- (c) **Raising of villagers' awareness through participatory approach:** During the implementation of the pilot project, the local consultants (researchers) used the Participatory Rural Appraisal (PRA) method to collect data about rural life and

conditions from the local villagers and officials. The researchers acted as facilitators to guide the local people in analyzing the data and in planning based on such analysis. It was the first time the villagers experienced this approach, and it fueled their aspiration for self-determination and in planning the future of their village themselves.

3.8.2 Issues

- (a) **Cooperation in implementing action plans:** Due to the lack of concrete assistance, during the pilot project, no further action was taken beyond the planning stage whether technical, financial, etc. While action plan prioritization and assistance for their implementation depended on the villagers' initiative, understanding and cooperation among the various levels of government are crucial in the realization of such plans.
- (b) **Analysis of issue and review of plan effectiveness:** The pilot project covered a wide range of issues at the village level including rural development, economic development, health care, etc. Thus, even though the frameworks of the master plan and the action plans were already proposed, the detailed analysis has yet to be achieved. For the realization of the action plans, it is essential that the process does not end at proposal making at the commune and village levels but is extended to include plan effectiveness review by the specialists and government authorities.
- (c) **Strengthening of craft associations' management capacity:** Individuals in charge of managing the craft association in Ha Thai village were selected after which the association was formed. The association will serve as the coordinating body among various parties, build linkages with external institutions and monitor the activities of its members so as to address all the development issues stated in the development strategy for the craft village. However, it should be noted that the association's staff is weak, and lacks the operational know-how needed to effectively carry out its mandate. When applying a similar strategy in other regions, appropriate actions including strengthening of the staff's management capacity (say, in accomplishing paperwork, etc.) should be considered.
- (d) **Strengthening of organizational capacity focused on associations:** Establishing craft associations is an integral first step in systematizing the flow of craft development and promotion. Specifically, craft associations aim to express the needs and priorities of the craft villages and elevate them to the local and central government levels. After the establishment of the craft associations and the commencement of activities, there is a need to formulate, at the local government level, a system that will answer the needs prioritized by the villagers and to seek assistance from the central government.
- (e) **Guidance and assistance from specialists:** Although the local people understand local situations and have visions of their welfare, unfortunately, only few have planning, writing, and analytical skills. Thus, the necessity for specialists who can articulate the aspirations of the villagers and draw out their capacity to draft

plans are needed. Adequate outputs were generated during the implementation of the pilot project with the formulation of the strategies through the PRA method adopted by the consultants. In adopting the approach in other areas, the assistance of similar consultants who take the initiative at village level activities and who assist in the planning process is necessary. The use of the “PRA Manual”, an output of the pilot project, and the development strategy is suggested to encourage the NGOs and BDS providers to build up human resources who can assist in such activities. Additionally, assistance from the Government is sought to support/dispatch consultants and plan activities.

3.8.3 Actions to be Taken by Vietnamese Stakeholders

- (a) **Master Plan actualization at commune and craft village levels:** The provincial governments and commune People’s Committees participated in the entire process in the pilot provinces. As a result, government authorities now understand the real state of the craft villages and have a thorough appreciation of the pilot project and the village master plan. Such knowledge will hopefully be useful in analyzing present conditions, formulating policies, and planning assistance measures.
- (b) **Actualization of action plans:** The proposed action plans were prioritized by the participants. Some are already being implemented in Ha Thai village, to wit: (1) establishment of an association (organized by approximately 90 members and a committee consisting of 9 members); (2) discovery of traditional crafts, (through an interview survey of villagers); and (3) craft product development (development of lacquer ware with the assistance of coordinators trained during Pilot Project No. 5). Through the actualization of the action plans, the strengthening of the association’s management capacity and the development of the craft villages will be carried out.
- (c) **Trainings by outside support groups:** NGOs and the Women’s Union, among others, have expressed their intention to continually support target craft villages.⁹ In Ha Thai village, in order to earn the support of concerned agencies for the craft village strategy, drafting and submitting various activity proposals will be required. Strengthening writing skills to allow them to make proposals is also critical.

3.9 Evaluation of Pilot Projects

Eight pilot projects were implemented from November 2002 to September 2003 for 11 months with achievements more than those anticipated. Achievements, issues and recommendations from the Vietnamese side were tabulated (see Table 3.9.1.).

The general outcome of the pilot projects are the following:

- (a) **Concrete impact on craft production areas:** Implementing countermeasures against major policy issues in the production areas created an impact. While there is a contention that the guidelines stated in the Prime Minister’s Decision No. 132

⁹ In regard to strengthening association activities and improving human resources, SNV, a Dutch NGO, has expressed its willingness to assist two target craft villages. Additionally, the Women’s Union is considering providing them craft production trainings.

do not produce concrete improvements in production areas, there were lessons learned from making government authorities, policy makers, villagers, and craft producers work together in formulating more effective measures to achieve common goals.

- (b) **Understanding and cooperation of government authorities regarding craft production areas:** The pilot projects provided opportunities to exchange opinions and encourage the participation of all stakeholders during project implementation. Consequently, craft villages had the opportunity to voice out their concerns directly to relevant government authorities. The latter were able to understand present conditions in the craft production areas. The pilot projects also contributed in actualizing measures and policies proposed by the Government.
- (c) **Active participation and enhanced awareness of beneficiaries:** The objectives and methods used in the pilot projects were understood by the villagers. This explained their active participation, which in turn led to a deeper appreciation of craft making. Where before, they simply looked at craft production as a job and livelihood, the pilot projects offered them the chance to further understand and even rediscover, the meaning of craft making in their lives and culture. As a result, they were able to set clear objectives for their future.

The significant measures to develop the pilot projects are as follows:

- (a) **Development of human resources and creation of mechanism for craft promotion:** Task forces, composed not solely of craft specialists but provincial government authorities, faculty of vocational schools and universities, researchers, museums, NGOs, and experts from other fields as well, provided direct and intensive trainings to participating government authorities and beneficiaries in rural areas. The multisectoral composition of the task forces helped strengthen the capacities of the training participants. The craft sector is particularly crucial in supporting rural development and industrialization. Simply providing technical assistance for a sustainable craft promotion is not enough. What is critical is developing human resources to support such assistance, skilled craft workers who will continue and replicate their skills in other areas. As important as the technical trainings and guidance to be provided by craft specialists (including researchers and craftspersons) is for specialists from various sectors to formulate a mechanism for craft promotion in the rural areas.
- (b) **Enhancement of outcomes and their utilization:** In order to disseminate the results of the pilot projects, using the manuals produced in the projects and showcasing the craft products, photographs and others for everyone to see are necessary. Distributing the outputs of the pilot projects not only to beneficiaries and participating provincial governments but also to other concerned agencies, and utilizing the manuals as instructional materials are desired.
- (c) **Building linkages among craft production areas and exchanging activities:** One of the most significant impacts made on beneficiaries was the direct interaction and the technical exchanges afforded them by the pilot projects. Most craft

producers in the rural areas often do not know the existence of other production areas, products and techniques. Most ethnic minorities have never ventured out of their villages. Thus, human resource exchanges and study missions, such as sending the instructors from Ha Tay province to Quang Nam province for Pilot Project 2, participating in bazaars in Hanoi and trips to tourist areas in nearby provinces for Pilot Project 7, etc. were notably effective in enhancing the beneficiaries' participation in craft promotion. Under current circumstances, creating a similar opportunity is financially difficult for producers. Thus, the promotion of exchanges with government assistance is expected. With the growing popularity of Vietnamese craft items in the overseas markets, exchange activities with other countries are similarly desired. Increasing the opportunities for Vietnamese crafts to obtain international attention by participating in overseas fairs, dispatching specialists from overseas, etc., not only ensures exchange activities; it will also cultivate international markets.

- (d) **Public-private partnership:** To ultimately expand the craft market, revitalization of the private sector is inevitable. In the pilot projects, local governments had the opportunity to directly interact with craft producers thereby gaining understanding of the current conditions and issues the craft villages are facing. Hopefully, this newfound knowledge will aid them in formulating a cooperation system between them and the craft villages. However, the pilot projects were not able to establish linkups with the private sector nor obtain market recognition for the products. It is thus believe that although the public sector must initiate efforts in resolving the overwhelming deficiency in human resources and modern business management knowledge in rural areas, it cannot accomplish these tasks alone. With its inherent bureaucracy and its own shortage in human resources, it is thus important to revitalize the role of the private sector, both local and overseas, in helping expand the market for Vietnamese crafts and strengthen their competitiveness. The private sector's good grasp of the market will help in analyzing further the pilot projects' activities and outputs.

Table 3.9.1 Achievements, Issues and Actions by Pilot Project

Pilot Project	Achievement	Issue	Actions to be Taken by Vietnamese Stakeholders
1. Craft information system	<ul style="list-style-type: none"> • Creation of website • Communication among model provinces • Establishment of information system among the 61 provinces 	<ul style="list-style-type: none"> • Lack of technical expertise on website management • Lack of information updating capacity 	<ul style="list-style-type: none"> • Strengthening of information collection and processing capacities of provincial government • Continuation of mapping survey and information utilization • Enhancement of information management • Establishment of alternative information dissemination tool
2. Craft cluster development	<ul style="list-style-type: none"> • Strengthening of business management capacity • Conduct of training programs for craft workers • Creation of training manuals • Quality improvement of silk yarn and hand-woven silk products • Strengthening of provincial government initiative 	<ul style="list-style-type: none"> • Shortage of manpower within governments • Importance of private sector cooperation • Final assessment by the market • Clarification of responsibilities of provincial agencies 	<ul style="list-style-type: none"> • Establishment of consulting center (Ha Tay province) • Utilization of industrial expansion program • Manpower exchange between production sites • Technical trainings and creation of manuals • Utilization of quality inspection system and technical training
3. Preservation of traditional values of artisan crafts	<ul style="list-style-type: none"> • Use of participatory approaches to research • Detailed information collection in craft villages • Utilization as tourism resources 	<ul style="list-style-type: none"> • Coordination with existing studies and craft specialists • Lack of study financing • Lack of capacity of local museums 	<ul style="list-style-type: none"> • Linkage to tourism development • Future craft development and promotion activities • Continuous activities of Vietnam Museum of Ethnology
4. Establishment of design promotion system for artisan craft development	<ul style="list-style-type: none"> • Better understanding of design through design guidebook • Movement toward design promotion 	<ul style="list-style-type: none"> • Lack of coordination among design-related activities • Government support in design promotion 	<ul style="list-style-type: none"> • Creation of design center • Design promotion activities by private sector
5. Development of competitive products for the international market	<ul style="list-style-type: none"> • Development of coordinators • Product development using Vietnamese traditions 	<ul style="list-style-type: none"> • Clarification of coordinators' skills • Training of coordinators • Sales and market evaluation • Copyright protection 	<ul style="list-style-type: none"> • Training of coordinators through educational institutions • Government assistance • Utilization of coordinators by private sector

Cont'n of Table 3.9.1

Pilot Project	Achievement	Issue	Actions to be Taken by Vietnamese Stakeholders
6. Environmental improvement of craft villages	<ul style="list-style-type: none"> • Clarification of environmental issues at craft village level • Preparation of environmental reform guidelines and manuals 	<ul style="list-style-type: none"> • Development of consensus on responsibilities • Understanding and cooperation of craft producers • Relocation of production areas to industrial zones • Financial sourcing for environmental improvement 	<ul style="list-style-type: none"> • Review and execution of existing plans • Facilitation of awareness of environmental protection
7. Strengthening of management capacity of ethnic minority craft villages	<ul style="list-style-type: none"> • Strengthening of management capacity of ethnic minority • Market-catering product development • Creation of handbook on ethnic minority assistance 	<ul style="list-style-type: none"> • Appropriate duration of assistance • Timing of project completion • Local government assistance to ethnic minorities 	<ul style="list-style-type: none"> • Continuation of product development by target groups • Utilization of handbook • Assistance by local governments
8. Craft village development strategy	<ul style="list-style-type: none"> • Preparation of commune and craft village master plans • Implementation of action plan • Raising of villagers' awareness through participatory approach 	<ul style="list-style-type: none"> • Cooperation in implementing action plans • Analysis of issue and review of plan effectiveness • Strengthening of craft associations' management capacity • Strengthening of organizational capacity focused on associations • Guidance and assistance from specialists 	<ul style="list-style-type: none"> • Master Plan actualization at commune and craft village levels • Actualization of action plans • Trainings by outside support groups

Source: JICA Study Team

Part II

Provincial Craft Master Plan

1. INTRODUCTION

1.1 Necessity and Role of Provincial Craft Master Plan

It became clear that socio-economic development, especially improvement of the livelihood of craft villages and craft households, could be an important and effective strategic instrument in achieving poverty reduction and sustainable growth in rural areas, which is the objective of Vietnam's national plan. The master plan at the central level, which is described in Volume 1 of this report, offers a comprehensive policy framework for realizing this objective. At the same time, it was clearly recognized that to ensure that the policies efficiently benefit the target areas and people, policy arrangement and action implementation should reflect the situation at the provincial level. Therefore, the preparation and implementation of a comprehensive provincial master plan, which functions similarly to the national master plan, are likewise essential.

Provincial craft development master plans will be necessary because it is impossible for the central government to cover all the issues and needs that are faced by craft villages, craft households and other craft stakeholders at the local level. Even if such information were available, it would be very difficult for the central government to deal with the issues effectively¹⁾.

As described in detail in Volume 1 of this report, all policies by the central government must be effectively disseminated to related stakeholders, and proper feedback must be given about their benefits. Consequently, a three-tiered craft master planning system was proposed to allow for this communication flow. The provincial master plan is expected to play a core role in this three-tiered system. Provincial governments are thus required to prepare and manage their respective master plans (see Figure 1.1.1).

The role of provincial governments and provincial master plans in craft promotion can be summarized as follows:

- (a) Role of Provincial Governments: Provincial governments have to provide direct assistance to craft production areas and serve as a bridge between them and the central government. Their basic tasks are as follows:
- Implement measures formulated by the central government according to the characteristics of each production area and promote the incorporation in central government policies of local requirements.
 - Formulate and implement comprehensive, appropriate and concrete guidance and support measures as well as programs for each production area based on the opinions and needs of the grassroots on craft-related issues.
 - Promote appropriate guidance and concrete support measures suitable for each production area to incorporate in policies by gathering the opinions and

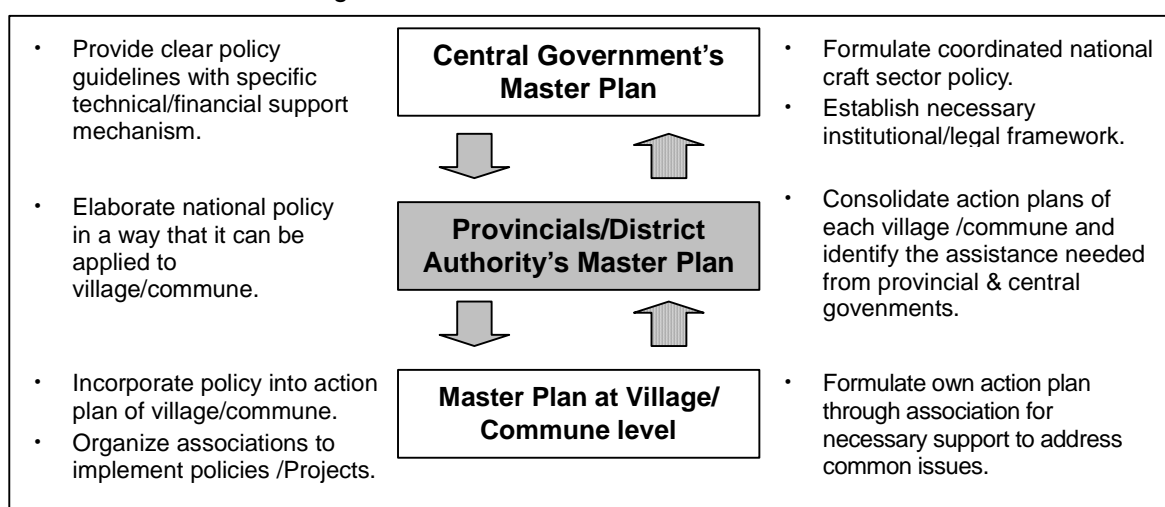
¹⁾ The Decision 132/2000/QĐ-TTg has set up a legal corridor for promotion rural industry activities, which, however, is insufficient to formulate master plans at all levels. In fact, promulgated policies cannot be utilized by local authorities (provincial, district, commune/village) to formulate their own craft master plan.

determining the needs of the grassroots on craft-related issues.

(b) Role of Provincial Master Plan: The Provincial Craft Master Plan serves as a tool for realizing the following three main tasks:

- Realize the central government's policy to benefit communes/ craft villages (top-down policy flow).
- Understand the situation and issues faced by communes/ craft villages and if necessary, report to the central government (bottom-up policy flow).
- Enhance environment and infrastructure to vitalize private sectors' activities (government-private policy flow).

Figure 1.1.1 Roles of Provincial Craft Master Plan



1.2 Craft Development Master Plan of Model Provinces

The proposed three-tiered master planning system requires provinces, those that consider the craft sector as a key economic element, to formulate their own master plans in conformity with the national master plan to ensure matching of policy priorities and needs. In this Study, the model provinces attempted to formulate their respective master plans based on the structure and interim outputs of the national master plan with guidance from the local consultant team. The basic considerations that guided the provincial governments in making their respective master plans are as follows:

- (a) To verify the practicability of the policy framework by implementing pilot projects, as well as to confirm whether the project is sustainable and replicable in other areas under certain conditions.
- (b) To provide orientation for craft promotion for each area, in conformity with the characteristics and development potentials of each of the four regions (north, center, south, and mountainous regions).
- (c) To identify specific policies and assistance measures (action plans/ projects) that can provide a direct impact on craft promotion activities at communes or craft villages, which are the centers of local industries.

The respective provincial craft master plans of model provinces were prepared by a task force in each provincial government supported by local consultants for this study. The following is a summary of the process and outcomes:

- (a) In preparing the master plan, a workshop for model provinces was held which was participated in by a wide range of stakeholders (e.g. related agencies and organizations at the provincial level such as women's unions, private companies, craft villages, and craftspersons). During the workshop discussion, the significance of craft promotion to various stakeholders and the issues it engenders were identified, paving the way for a consensus on the objectives, fundamental framework and orientation of the master plan of model provinces. This process was significant for the provincial governments because the craft sector issue was discussed lengthily and comprehensively together with related regional issues.
- (b) Two agencies, the DOI and the DARD, which have a key role in craft promotion at the provincial level, took leading parts in preparing the provincial master plan. However, other agencies are also responsible for craft promotion, such as DoTourism for tourism promotion, DOF for fund support for companies, and DOST for technical improvement. Hence, although various measures have been taken by provincial governments to support local craft production, these have been ineffective because of the lack of comprehensive and integrated strategies on craft promotion.
- (c) As stated above, comprehensive and integrated strategies are indispensable for preparing a master plan. However, there is a shortage of human resources at the provincial level who are competent to formulate comprehensive plans. Therefore, although the provincial master plan already has the objectives and strategies for craft promotion for each province, they may be effective only to the extent that each organization implements its own support measures. Specific measures to reinforce the existing structure and coordination between organizations are still missing.
- (d) At the provincial level planning on craft promotion, organizational setting and networking should be enhanced to achieve a more active craft promotion based on the provincial master plan.

1.3 Necessity of Preparing Guidelines

While the need for a provincial craft master plan has been recognized by both the central and provincial governments, the human resources and the capacity particularly of the four model provincial governments are limited. Hence, the plans and projects, which they prepared, were not applicable in many cases.

It is for this reason that guidelines were formulated to help the rest of the provinces in ensuring that their respective provincial craft master plans would be coherent, integrated and practical.

2. Overview of Guidelines

2.1 Steps in Master Plan Preparation (see Figure 2.1.1)

Task 1. Analysis of Existing Conditions: Understand the situation faced by craft businesses and organizations in communes/ villages in the province by conducting a mapping survey or collecting and analyzing existing craft information. Focus group discussions among select stakeholders should be held on key issues to analyze more deeply the issues faced by concerned parties.

Task 2. Identification of Key Issues: Clarify the potentials, advantages and disadvantages of craft sector development by taking into consideration key issues identified in the national master plan and policy priorities set by the province.

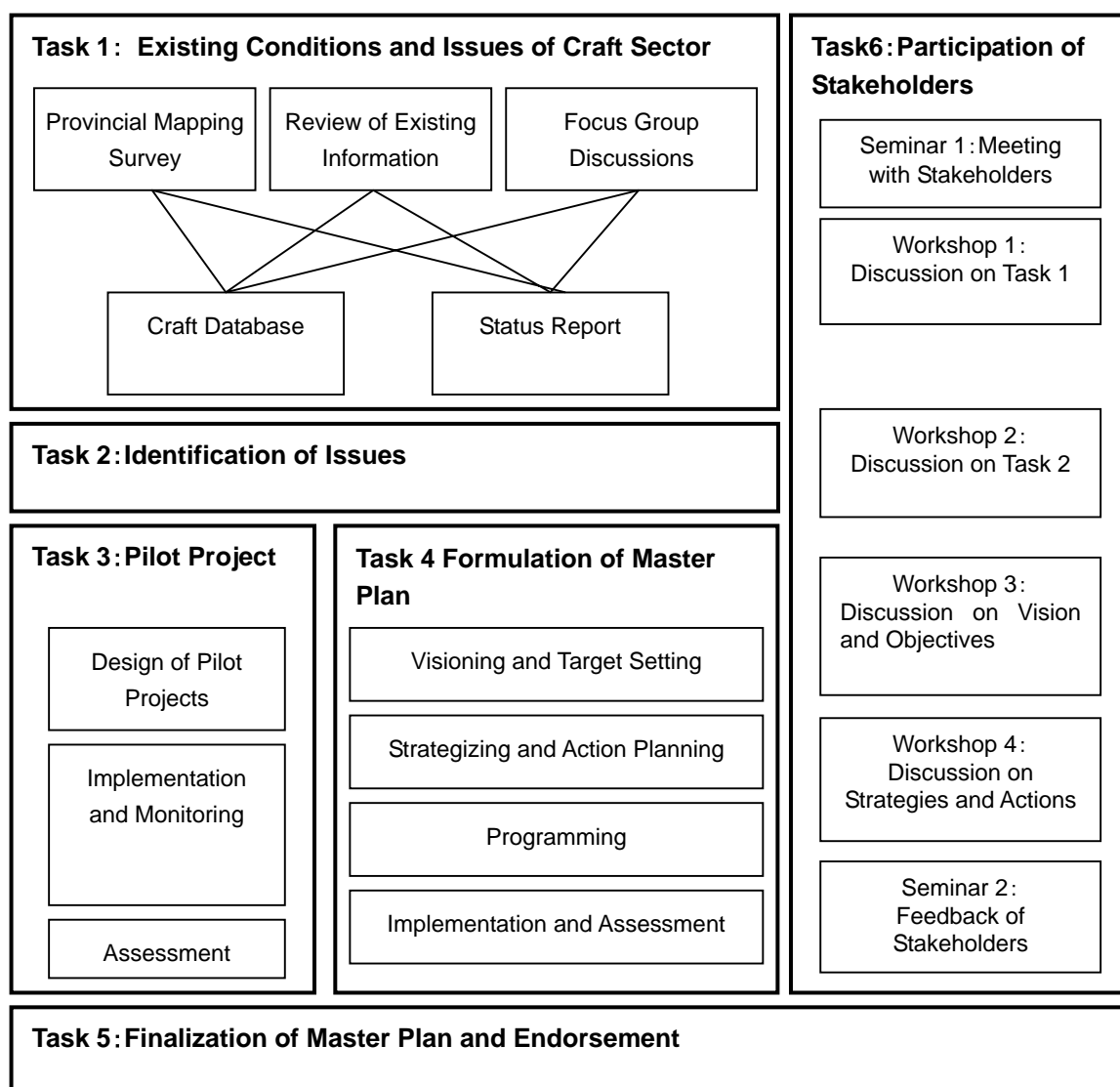
Task 3. Implementation of Pilot Projects: Pilot projects to adjust policies at the provincial level and to verify the practicability of the measures offered by the national and provincial master plans. Reflect the issues and lessons learnt from the pilot projects into the master plan (see section 2.4).

Task 4. Formulation of the Craft Master Plan: Formulate the provincial craft master plan based on the analysis of current conditions and issues, on the outcomes and lessons gained from the pilot projects, and on the orientation of the central government's master plan.

Task 5. Finalization and Endorsement of Master Plan: Finalize the provincial master plan after discussions with stakeholders through workshops and seminars. Give it status as a provincial policy by having it endorsed by the provincial PC to the central government (craft council at the central level) for the latter's consideration in national policy formulation.

Task 6. Participation of Stakeholders: Adopt participatory approaches at each task implementation stage, i.e. through workshops and seminars, to guarantee that the policies and tasks are sustainable. A wide range of participants should be targeted, e.g. related agencies of provincial government, central government, district commune government, related organizations, craft companies, craft villages, NGOs, donors, etc. It would be ideal if the provincial craft council takes the lead in preparing, implementing and monitoring the master plan. To realize this, a provincial steering committee should be established at the beginning of task implementation, which could later be accepted as the Provincial Craft Council itself when the master plan has been finalized.

Figure 2.1.1 Preparation of Provincial Craft Master Plan (proposed)



2.2 Contents of Provincial Craft Master Plan

Task 1: Analysis of Existing Conditions

1) Provincial Craft Mapping Survey

Similar to that conducted for the national master plan, the provincial survey will be conducted as follows:

- (a) **Definition and Criteria Setting for Craft Village/ Traditional Craft Village:** Set the province's own criteria for designating traditional craft villages based on the following: number of households engaged in craft production, number of craft output, significance of craft production, history of craft village, etc.
- (b) **Survey on Current Situation of Communes/Craft Villages (Provincial Craft Mapping Survey):** Under the supervision of provincial governments, send out

questionnaires to commune governments and craft villages selected based on definite criteria. Commune governments should collect answered questionnaires from village leaders/ businesses and submitted to district governments, which should in turn submit the same to provincial governments (see Table 2.2.1 for the Structure of National Craft Mapping Survey Questionnaire, and Appendix for the questionnaire for the National Craft Mapping Survey).

Table 2.2.1 Structure of National Craft Mapping Survey Questionnaire

Questionnaire	Objective	Main Output
Form 1	To determine profile of each commune and identify target craft villages ¹⁾	Basic data on approximately 9,400 communes in the entire country; list of target craft villages
Form 2	To collect detailed information on target craft villages	Identification of craft villages deeply involved and quite active in craft promotion; detailed information on targeted craft villages; identification of problems / constraints villages currently face
Form 3	To collect related information on communes to which target craft villages belong	Current activities of craft-related enterprises and cooperatives at commune level

Source: JICA Study Team

1) The criteria for being selected as target craft villages of the Study are as follows: either (1) more than 20% of households are engaged in craft making, or (2) the commune in charge recognizes it as important for the village, since the survey intended to paint a whole picture of the sector. The MARD originally used the criteria of having either (1) more than 50% of households engaged in the sector, or (2) 50% of income is accounted for by the sector.

2) Review of Existing Information

(a) Existing Policy and System: In order to clarify the relationship between craft sector development and related sectors' development plans, review existing policies such as provincial socio-economic development, Industrial promotion, SME promotion, preservation of traditional culture, and support for ethnic minorities. The policies, system, and decisions on craft sector development, and their relation to the craft sector are summarized in Table 2.2.2 and Table 2.2.3.

(b) Responsibility and Role of Major Agencies: Clarify the responsibility and role of each craft-related agency in a province, and the framework of cooperation/ collaboration between related agencies.

(c) Review of Existing Documents and Research: in order to select important issues in a region, review existing documents and research on craft, such as documents on their history and culture, or research on environment.

3) Focus Group Discussions

Based on major craft sector issues selected from the mapping survey and existing information, a wide selection of stakeholders will be invited to focus group discussions (FGDs) to clarify the province's institutional/ organizational framework and its competency towards project/ plan implementation. Stakeholders will include the following: government officials in provinces, districts, and communes; leaders of craft villages, provincial VCA, Women's Union, farmer's associations, craft companies, vocational training schools, provincial museums, master artisans, educational bodies, and NGOs, among others.

4) Craft Database

Based on the Provincial Craft Mapping Survey, a database on the communes and craft villages in the province will be made. This will be used in selecting supporting measures and target areas and serve as basis to implement pilot projects and action plans. It should follow the format of the central government database for easy data comparison.

Table 2.2.2 Major Central Government Policies and Decisions Related to Craft Sector

Issue	Regulation and Decision	Agency	Content and Relation to Craft Sector
Regional Development	Decision No. 132/2000/QĐ-TTg of November 24, 2000 on a Number of Policies to Encourage the Development of Rural Trades	MARD	
	Decision No. 132/2001/QĐ-TTg of September 7, 2001 on Financial Mechanisms for the Implementation of the Programs on Developing Rural Traffic Roads, Infrastructure for Aquaculture and Infrastructure in Rural Craft Villages	MOF	
Poverty Alleviation	Decision No. 143/2001/QĐ-TTg of September 27, 2001 Approving the National Target Program on Hunger Elimination, Poverty Alleviation and Employment in the 2001-2005 Period	MOLISA	
	Decision No. 138/2000/QĐ-TTg of November 29, 2000 on the Integration of the Segmentation Projects, The Project on Support of Ethnic Minorities. People Meeting with Special Difficulties, The Program on Building Centers of Mountain and Highland Commune Clusters into the Program on Socio-Economic Development of Mountainous, Deep-lying and Remote Communes Meeting with Great Difficulties	CEM MPI, MOF, MOLISA MARD	
Investment Promotion	Decision No. 3/1998/QĐ-HĐ of May 20, 1998, The Law on Domestic Investment Promotion (amended)	Government	
	Decree No. 51/1999/ND-CP of July 8, 1999 Detailing the Implementation of Law No. 03/1998/QĐ-HĐ on Domestic Investment Promotion (amended)	MPI	
Export Promotion	Decision No. 195/1999/QĐ-TTg by the Prime Minister on Establishment of Export Promotion Fund	MoF	
	Decision No. 46/2001/QĐ-TTg of April 4, 2001 on the Management of Export and Import Goods in the 2001-2005 Period	MoT	
SME Promotion	Decree No. 90/2001/ND-CP of November 23, 2001 on Support for Development of Small and Medium Enterprises	MPI	
	Decree No. 02/2000/ND-CP of February 3, 2000 on Business Registration	MPI	
Preservation of Traditional Crafts	Decision No. 124/2003/QĐ-TTg of June 17 2003 approving cultural preservation and development for minority groups in Vietnam to fully utilize traditional crafts	MOCI	
Craft Village Criteria	Regulation (official, provisional) on craft village and traditional craft village criteria	DOI & DARD	
Craft Development Plans	a. Decision on Formulation of Industry & Cottage Industry Development Program by 2010	DOI & DARD	
	b. Human Resource Development Plan	DOLISA	
	c. Raw Materials Area Development Program	DARD	
	d. Craft Product Quality Improvement and Development Project (design improvement using new materials and technologies)	DOST	
	e. Infrastructure Development for Craft Villages and Craft Clusters	DOC	
Craft Investment	Investment program for industrial production development (or industrial extension program) + to support SMEs + to support development of crafts and craft villages + to identify sites and investment projects provided with preferential conditions in craft villages	DOI	
Market Development	a. Provide craft (and other goods) exportation bonus	DOT	
	b. Provide support and assistance in market development, trade promotion, exhibition participation, market information	DOT	
	c. Craft village tourism development	DoTourism	
Traditional Value Preservation	a. Revival and development of traditional crafts and craft villages	DOI	
	b. Craft development while preserving traditional values in the products	DOCI	
Support for Ethnic Minorities	Policies and Decisions related to craft promotion and development for minority groups	CEM and others	

Table 2.2.3 Major policies and decisions of central governments related to craft sector

Issues	Regulations and Decisions	Agency	Contents and their relations with craft sector
Craft village criteria	Regulation (official, provisional) on craft village and traditional craft village criteria	DOI & DARD	
Craft development plans	a. Decision on Formulation of Industry - Cottage Industry Development Program by 2010	DOI & DARD	
	b. Human Resource Development Plan	DOLISA	
	c. Raw material area development Program	DARD	
	d. Craft product quality improvement and development project (design improvement using new materials and technologies)	DOST	
	e. Infrastructure development for craft villages and craft clusters	DOC	
Craft investment	Investment program for industrial production development (or industrial extension program) + to support SMEs + to support development of crafts and craft villages + to identify sites and investment projects provided with preferential conditions in craft villages	DOI	
Market development	a. Provide craft (and other goods) exportation bonus	DOT	
	b. Provide support and assistance in market development, trade promotion, exhibition participation, market information	DOT	
	c. Craft village tourism development	DoTourism	
Traditional value preservation	a. Revival and development of traditional crafts and craft villages	DOI	
	b. Craft development while preserving traditional values in the products	DOCI	
Support for ethnic minority	Policies and Decisions related to craft promotion and development for minority groups	CEM and others	

5) Status Report

Based on the results of the mapping survey, information analysis, and FGDs, prepare a status report that should cover the following items:

Part 1: Provincial Conditions

Table 2.2.4 Checklist for the Analysis of Provincial Conditions

	Items	Data
Geographical Location and Natural Conditions	Administrative Maps	
	Geographical Conditions	
	Climate and Hydrology	X
	Natural Resources	
Social Conditions	Land Use	X
	Population and Labor	X
	Education and Health Care	X
	Transportation	X
	Power, Telephone, Water Supply, Health Care Facilities	X
Economic Conditions	Economic Structure	X
	Agricultural Products and Key Crop Areas	X
	Forestry Area	X
	Forestry Products	X
	Fishery Products	X
	Production by Industrial Sector	X
Craft Export Turnover	X	

Table 2.2.5 Climate and Hydrology

Items	Months												Average
	1	2	3	4	5	6	7	8	9	10	11	12	
Temperature (°C)													
Rainfall (mm)													
Humidity (%)													
River Water Level (mm)													

Table 2.2.6 Land Use

Land Type	1999	2000	2001	2002	2003
Total Area					
Agriculture					
Plains					
Hills/Mountains					
Forestry					
Natural Forests					
Planted Forests					
Special-use					
Residential					
Idle					

Table 2.2.7 Population and Labor

Items	Unit	2000	2001	2002	2003
Total Population	persons				
Population Density	persons/km ²				
Population Share					
- Urban	%				
- Rural					
Birth Rate	%				
Population Growth Rate	%				
Total Working-age Population					
Share in Population	%				
Share of Unemployed Labor in Total Labor					
Labor Structure					
- Agro-forestry-aqua	%				
- Industry – Construction					
- Services					
Labor Distribution					
- Urban	%				
- Rural					
Ethnic Groups					
- Kinh	%				
- Others					
Rate of Poor Households	%				

Table 2.2.8 Education and Health Care

Item	2000	2001	2002	2003
Literacy (%)				
Elementary Education (%)				
High School Education (%)				
Vocational Schools				
Qualified & Trained Laborers				
University-educated Staff (%)				

Table 2.2.9 Transportation

Name of Commune	Pavement (%)				Road Condition ¹⁾
	Asphalt	Gravel	Laterite	Earth	

1) 1: Good, 2: Fair, 3: Bad

Table 2.2.10 Utilities and Social Service Facilities

Item	Unit	2001	2002	2003
Communes with electricity	%			
Power consumption level	Kw/head			
Rural HHs with electricity	%			
Communes with access to telecommunications	%			
HHs with access to telecommunications	%			
Rural HHs with access to drinking water	%			
Number of doctors	Persons/10,000persons			

Table 2.2.11 Economic Structure

Sectors	2001		2002		2003	
	Values (VND bil.)	Share (%)	Values (VND bil.)	Share (%)	Values (VND bil.)	Share (%)
Agro – Forestry – Aqua						
Industry – Construction						
Services						

Table 2.2.12 Agricultural Products and Key Crop Areas

Name of Crop		Area (ha)	Volume (ton)	Main Location (District Name)
Food Crops				
Industrial Crops				

Table 2.2.13 Forest Areas

Forest Type	Area (ha)		
	Total	Protected Forest	Special-use Forest
Natural Forest			
Planted Forest			

Table 2.2.14 Forest Products

Forestry Product	Unit	2000	2001	2002	2003
Wood					
Firewood					
Bamboo & Rattan					
Others					

Table 2.2.15 Marine Products

Marine Products	Unit	2000	2003

Table 2.2.16 Industrial Production

Item	Unit	2000	2001	2002	2003
Production value	VND bil.				
GDP	Industry	VND bil.			
	Cottage Industry				
	Craft				
Main Products					

Table 2.2.17 Craft Export Turnover

Items		2000	2001	2002	2003
Total Export Turnover (mil.VND)					
Craft Export Turnover (mil.VND)					
Share in (%)	Industrial Value				
	Provincial Export Value				

Part 2: Overall Condition of Crafts and Craft Villages

Since existing information and information sources on crafts and craft villages are limited, incorporate the results of the mapping survey and FGDs into the checklist below (see Table 2.2.18). Each item is arranged in tables according to each theme. Formulate the craft database based on this information (see Table 2.2.19 through Table 2.2.24).

Table 2.2.18 Checklist for Overall Condition of Crafts and Craft Villages

Items		Data
Overall Condition of Crafts and Craft Villages	Definition of Craft Villages and Traditional Craft Villages	
	Condition of Communes	X
	Condition of Craft Villages and Traditional Craft Villages	X
	Typical Craft Villages and Traditional Craft Villages	X
	Main Craft Items and Assessment by Items	X
	Master Artisans	X
	Craft Production at Craft Villages	
	Craft Production and Export Value	X
Existing Institutions and Policies related to Cottage & Craft Industries	Organizational Structure	
	Existing Policies and Decisions on Craft and Craft Village Development	X
Major Issues related to Craft Sector Development		
Potentials, Advantages and Disadvantages for Craft Development	Potentials	
	Advantages	
	Disadvantages	

- (a) Definition of Typical and Traditional Craft Villages in Province: Indicate criteria for distinguishing typical and traditional craft villages.
- (b) Condition of Typical and Traditional Craft Villages: Map the distribution of craft villages (location, name of the village, and name of the craft item, etc.) and their photos on a provincial map.

Table 2.2.19 Communes

Location		Population			No. of HHs	% of Poor HHs	Sector Distribution (%)			Craft Making	
District	Commune	Male	Female	Total			Agriculture	Mixed Agriculture	Non-Agriculture	% of Craft Households	% of Craft Production Value

Table 2.2.20 Craft Villages

Location			No. of Craftsperson			Household			Craft Item	Average Income VND000/month	
District	Commune	Village	Male	Female	Total	No. of HHs	% of Poor HHs	% of Craft HHs		Male	Female

(c) Typical and Traditional Craft Villages and their Development Purpose

Table 2.2.21 Typical and Traditional Craft Villages and Development Purpose

Location			Craft Item	History (years)	Purposes of productions/development					
District	Commune	Village			Job Creation / Income Generation	Economic Development	Export/ Industry Promotion	Tourism Development	Traditional Value Preservation	Social Security

(d) Main Craft Items: Identify existing problems and issues of each craft item.

Table 2.2.22 Main Craft Items and Assessment by Item

Issue		Craft Item					
Raw Materials	Quality						
	Quantity						
	Price						
Production	Technology						
	Design						
	Production Processes						
	Product Quality						
	Skills						
	Management capacity						
	Finance and Investment						
	Working conditions						
Distribution	Distribution cost						
	Time						
	Transport cost						
	Exportation cost						
Market	Market information						
	Competitive Product						
	Price						

Note: Fill in the corresponding number below (from 1 to 4) for each issue.

1 Serious Problem	2 Problem	3 Moderate	4 No Significant problem
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(e) Master Artisans: Explain the procedure of recognizing and designating master artisans, indicating criteria.

Table 2.2.23 Master Artisans

Location			Name	Birth Year	Craft Item	No. of Successors
District	Commune	Village				

(f) Craft Production and Markets

- Analysis about the production made by craft villages; production structure.
- Activities of craft enterprises.
- Output and growth by craft item; export volume and value by year.
- Assessment of economic value of crafts and their share in industrial GDP.
- Potentials for exportation of craft items; constraints on export of craft items.

Table 2.2.24 Production and Export Value

Craft item	Production value			Exportation value		
	Unit	Value	Annual Growth Rate (%)	Unit	Value	Annual Growth Rate (%)

Task 2. Identification of Key Issues

1) Selection of Issues

An analysis of the current condition revealed the issues, development possibilities and constraints faced by provinces or craft sector in each craft village/ commune. For an effective policy-making, clarify the following:

- Issues selected in the national master plan.
- Prioritized policies in the province's comprehensive socio-economic development plan.
- Opinions of internal/ external experts who are familiar with the market.

2) Checklist for Issue Selection

A checklist, which can be a guideline in selecting craft issues faced by a province, is shown below. Where necessary, the content is revised based on current condition of provinces and result of its analysis in the following description (see Table 2.2.25).

Table 2.2.25 Checklist of Key Issues for Craft Sector Development

Key Issue	Perspective for Issue Selection
1) Securing of Raw Material Supply	<ul style="list-style-type: none"> • Problems and constraints on craft production and raw material exhaustion. Importance of the use of locally available materials for craft production. Issue of proper and planned exploitation, protection and development of local raw material resources. • Directions on planning of raw material zones development to ensure sustainable supply of materials. <ul style="list-style-type: none"> - for crafts (wood, industrial crops, recycled materials etc.) - to other provinces - Conduct raw material processing and quality improvement. Encourage use of natural raw materials and applications of advanced technology to improve raw material quality.
2) Technology Improvement	<ul style="list-style-type: none"> • Current situation about production technology and equipment. • Role of technology and equipment on the quality and cost of craft products. • Orientation of the application of technology and technique improvement in craft production (for typical crafts), paying attention to the following issues: <ul style="list-style-type: none"> - Raising the quality and the uniformity of the crafts' quality, reducing the cost and labor intensity, increasing labor productivity while maintaining the traditional and cultural features of the crafts. - Ensuring and protecting environment in craft villages - Carrying out standardization of the processed materials - Preparation of the specialization in craft production and labor training especially for the crafts of integrated production process

Continuation of Table 2.2.25

Key Issue	Perspective for Issue Selection
3) Quality Improvement	<ul style="list-style-type: none"> • Current situation of craft quality: Identify reasons for low sales of craft products in domestic and overseas market. • Constituent factors for high product quality. • Current quality control system: Establish quality standards for craft and craft materials testing & evaluation. • Orientation on establishing an organizational network for testing & evaluating craft quality.
4) Production Process Improvement	<ul style="list-style-type: none"> • Current status of the production systems and issues limiting SMEs. • Current status of production and management systems of household craft industries in craft villages. • Orientation of improvements in local production systems to meet market demands at home and abroad. • Orientation of improvements in production processes and the mode/division of craft production (regarding enterprise, production household and local administration).
5) Design and Product Development	<ul style="list-style-type: none"> • Awareness and significance of design and craft design development and promotion system. • Strategy on craft product design & development to expand markets and access new ones. • Planning for the establishment of a craft design development system appropriate to regional conditions. • Potential of integrating traditional characteristics into new designs. • Approaches and steps for the actions; establishment of a support system for craft design development.
6) Access to Information	<ul style="list-style-type: none"> • Issues and difficulties related to information. • Necessary information for different stakeholders involved in craft production and management. • Approaches for and solutions to improve existing conditions (closer linkage among craft-related stakeholders and between the government and the private sector, organization of production of crafts with high competitiveness, participation in craft exhibitions, website creation, etc.).
7) Craft Cluster Development	<ul style="list-style-type: none"> • Necessity of linkage between craft villages and outside services (companies, cooperatives, etc.) in sharing information, providing financial support, making use of skilled craftsmen, and ensuring quality and timely delivery of craft products. • Appropriate types of production units in craft villages (craft associations, cooperatives, production groups, etc.) in view of craft production, development, management, and sales of products at home and abroad. • Potentials and orientation of regional cluster development (from the viewpoint of institutional and financial support from governments, business environment, BDS provider's activities, competitiveness of production groups, market development, etc.).
8) Human Resource Development	<ul style="list-style-type: none"> • Advantages and disadvantages in the current skills training program. • Skills training for new labor, skilled labor, technicians, master artisans, craft enterprise owners, etc. • Contents of training in craft quality and design improvement. • Role and importance of developing coordinators who can liaise between craftspeople and markets as well as designers. • Training organizations and contents <ul style="list-style-type: none"> – Introduction of current training program on crafts in vocational schools and in human resource development programs. – Improvement and establishment of training course textbooks. – Linkage between provincial and central agencies involved in craft training.
9) Management and Business Capacity Improvement	<ul style="list-style-type: none"> • Current status on business management of craft production enterprises. • Orientation and approaches for training and improvement of management and business skills (at enterprise and sector level). • Development orientation of enterprise types in craft villages appropriate to practical conditions of the province.
10) Finance and Funding	<ul style="list-style-type: none"> • Current status of finance and funding systems and available capital resources. • Capital requirements of craft households in craft villages. Identify issues that are hindering and limiting craft villages and other stakeholders involved in craft production to access available financial resources for production/ investment promotion. • Identify practical needs and financial characteristics of short- and medium-term loans for SMEs and households for craft production promotion. • Orientation for situation improvement
11) Working Condition	<ul style="list-style-type: none"> • Current working condition of labor in craft villages. • Problems affecting health, labor productivity and quality. • Status on occupational diseases among craft households in craft villages. • Approaches to improve situation
12) Distribution System	<ul style="list-style-type: none"> • Identify stakeholders involved in craft production and distribution in the province, particularly the role of middlemen. • Approaches to improve the distribution situation. Proper policies and solutions and that encourage the distribution while ensuring reasonable/fair benefits for different stakeholders

Continuation of Table 2.2.25

Key Issue	Perspective for Issue Selection
13) Marketing	<ul style="list-style-type: none"> Existing and future markets (domestic, export). Difficulties in market promotion and reasons. Approaches to market development and necessary support by governments for the private sector
14) Linkage to Tourism	<ul style="list-style-type: none"> Identify potentials for tourism development and for craft/community tours. Role of tourism in craft development. Approaches to craft-tourism development (ex. souvenir development, road and communication improvement, exhibition of craft items, craft/community tours).
15) Environmental Pollution	<ul style="list-style-type: none"> Status of environmental pollution in the process of craft development affecting community health in craft villages. Environmental impacts in craft villages and reasons (exhaustive exploitation of natural resources and inappropriate production technologies, etc.). Approaches, mechanisms and policies to improve situation and protect environment in craft villages
16) Support for Minority Groups	<ul style="list-style-type: none"> Characteristics and status of craft production of ethnic minority groups. Importance of reviving and preserving traditional craft production by minority groups. Approaches for efficient support for minority groups (e.g. craft promotion and development in pilot areas, training courses for minority groups in craft development, etc.). Potential for integration and linkage with other sectoral programs/projects supporting ethnic minorities (e.g. transport, education, health, etc.).
17) Preservation of Traditional Values	<ul style="list-style-type: none"> Importance and significance of preserving traditional values of crafts and craft villages. Potential for carrying out activities/projects for preserving traditional values of craft items and craft villages (e.g. documentation of traditional craft items, promotion of museum activities, education and training at vocational schools, etc.). Provincial policies and role of provincial administrative bodies involved in preserving traditional values

3) Potentials, Advantages, and Constraints on Craft Development

In order to examine the objectives and strategies for craft development, clarify positive (strengths) and negative impact (weaknesses) which are a result of the internal setting of province as well as external factors surrounding the province should be clarified. It is important to enhance the province's potentials and advantages, or to turn constraints into opportunities, for provinces to develop their own originality and competitiveness. Therefore, it is necessary to discuss the analysis results when examining the master plan and strategies.

- a) **Potentials:** Identify environmental factors that are of great advantage to craft promotion in the province and analyze their potentials. These factors include human resources, natural resources, raw materials, transportation infrastructure, historic/cultural resources, tourism attractions) as well as funding and legal system of the province. Analyze the province's strengths and weaknesses in craft promotion from various aspects: crafts' quality, marketability, technical capabilities, production capacity, funding ability, and coordinating ability.
- b) **Advantages:** Identify and analyze external factors, such as transport and geographical condition of the surrounding areas, change in market trends and competition with other areas, or impact on environment, that can provide opportunities for craft promotion.
- c) **Constraints:** Analyze the factors that hamper the province's potentials and opportunities in pursuing craft development and promotion.

Task 3: Implementation of Pilot Projects

To make a practical master plan, examine two aspects to see whether: (a) policies are secured at the provincial level; and (b) policies on localities (craft villages) or specific issues are actually functioning and with verifiable outcomes. In the national master plan, these were examined by implementing nine pilot projects in four selected provinces. All projects were planned based on identified key issues, especially on identified measures and action policies that were considered to have a good chance for improvement by implementing local actions.

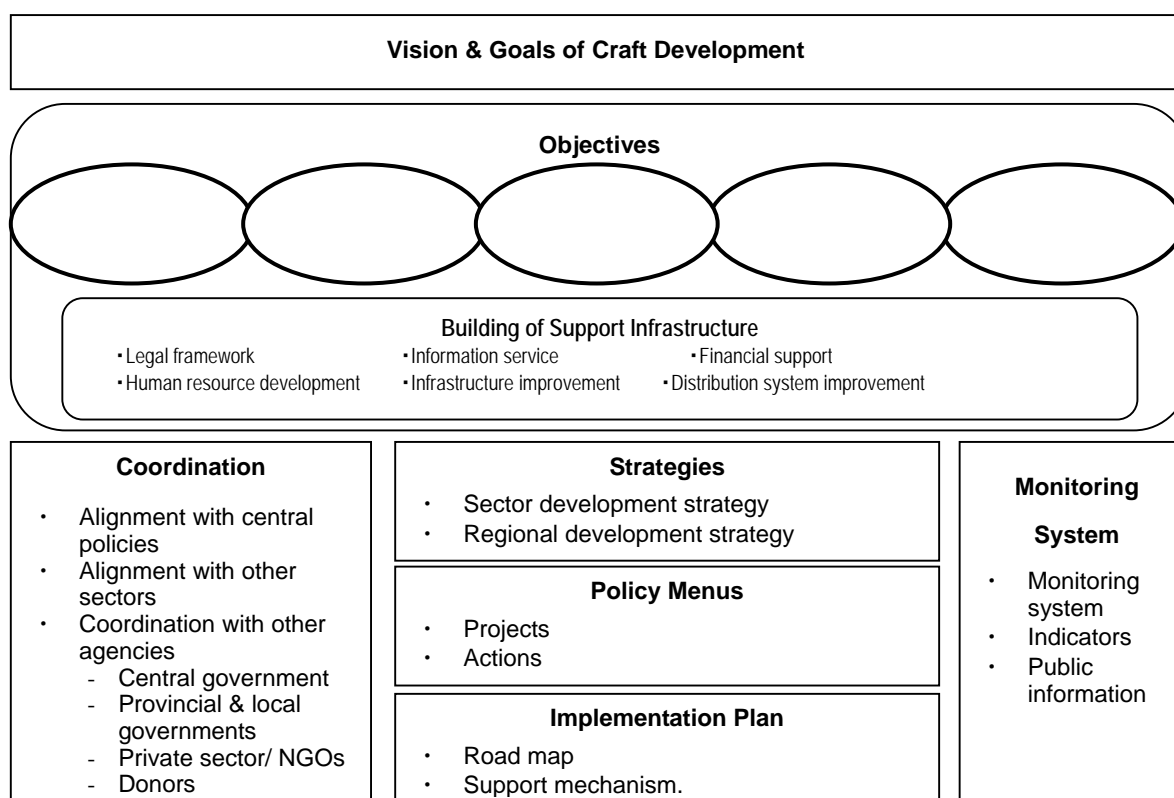
Select several areas (craft villages and communes) in province to determine whether the recommendations in the provincial master plan will encourage specific support actions to be taken at the local level and will benefit the people. Implement projects to improve the key issues that need to be tackled.

Task 4: Formulation of the Craft Master Plan

1) Structure of Master Plan

In order to relate the long-term objectives and the implementing projects/ actions, adopt a hierarchical structure for the master plan: (a) fundamental objectives for the future (vision); (b) materialization of objectives (development objective); (c) basic policy for realizing the objectives (strategies); (d) action based on strategies (project program); and, (e) measures for project implementation (modality). (see Figure 2.2.1)

Figure 2.2.1 Framework and Components of the Master Plan



2) Vision and Objectives

The province's structured vision for craft promotion and clarified objectives can indicate the basis of actions for various stakeholders involved in the craft sector. These are important to encourage a shared willingness and concerted action among concerned parties to achieve the objectives and to clarify policies and actions.

Participation of representatives from the public and private sectors involved in the craft sector is necessary in this process. Discuss with them through mapping surveys, focus group discussions, workshops, or seminars. Demonstrate objective indicators as well as clarify ideas and orientations (see Table 2.2.26 and Table 2.2.27).

Table 2.2.26 Provincial Socio-economic Development Indicators by 2010

Indicators		Present	2005	2010
GDP structure (%)	Agriculture			
	Industry – cottage industry			
	Services			
GDP growth (%)				
Average GDP per capita per year (USD/person/year)	Whole province			
	Rural areas			
Agro-forestry and fishery production value (VND bil.)				
Industry, cottage industry production value (VND bil.)				
Export value (thousand US\$)				
Growth rate of Export Value (%)				
Average annual income (USD/persons)				
Poor households (%)	Whole province			
	Rural areas			
Employed labor compared to labor needing jobs (%)	Industry, cottage industry			
	Construction			
	Agro-forestry and fishery			
	Services			
Ratio of households having power (%)				
Ratio of commune accessible to road (%)				
Coverage of telephone (%)				
Number of telephone (per 100 people)				
Ratio of households using clean water (%)				
Spread of education (%)	Primary school			
	Secondary school			
Literacy rate (%)				
Rate of villages having health care centers employed with doctors (%)				
Number of tourists	Total			
	Foreign tourists			
	Domestic tourists			
Average growth of tourist (%)				
Turnover of tourism (VND bil.)				

Table 2.2.27 Indicators of Craft Development

Indicator		Present	2005	2010
Craft production value (VND bil.)	Bamboo and rattan			
	Embroidery			
	Ceramic			
	Wood			
			
Ratio of production value of craft industry (%)				
Average growth rate (%)				
Export value (USD mil.)	Industry product			
	Cottage industry product			
	Craft and handicraft product			
Ratio of export value per total export value (%)				
Number of villages which have crafts				
Ratio per total villages in province (%)				
Number of craft villages meeting provincial criteria				
Labors working in cottage industry (persons)				
Labor working in craft sector (persons)				
Average income per labor of craft sector (000VND/month)				

3) Strategies and Action Plans

a) Planning Framework of linkage between issues and strategies

In order to establish the national master plan, various issues facing the craft sector were studied and analyzed. In addition, pilot projects were conducted to specifically identify the problems and issues. Outcomes and lessons gained from the analysis and pilot projects were applied to establish fundamental policy orientation and specific actions, which include vision, objectives, strategies, and action plans. (see Figure 2.2.2)

A similar approach is required in formulating the provincial master plan. This is essential since it is only from analyzing current issues as recognized from the results of provincial mapping surveys can the specific vision and basic objectives be identified. Furthermore, pilot projects in model provinces can help determine strategies/ actions, so that policies and support measures fit the craft production area's situation.

b) Preparation of Strategies and Action Plans

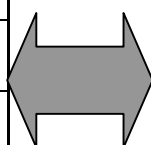
Break down strategies into action plans, ensuring that each action plan is practicable. Formulate an action data sheet for each action plan (see Table 2.2.28).

As was the case in the national master plan, it would be very difficult to implement several action plans at the same time. Therefore, prioritize strategies and actions at this stage. The following must be noted when setting priorities:

- (a) Socio-economic development objectives and plans of the province.
- (b) Relation to the national Craft Development Master Plan of the central government.
- (c) Participation of craft stakeholders in the province.

Figure 2.2.2 Planning Framework for Integration of Issues and Strategies (example)

Main Issues	Strategies	Objectives
Securing of Raw Materials	A1 Documentation of craft village traditions	A: Establishment of Mechanism to Preserve Traditional Value of Crafts
Technology Improvement	A2 Strengthening of local museums	
Product Quality Enhancement	A3 Promotion of traditional craft research	
Production Process Upgrading	A4 Enhancement of master artisan system	
Design Improvement	A5 Designation of title of traditional craft items	
Craft Information	B1 Strengthening of design education programs	B: Improvement of Craft Products Development System
Cluster Development	B2 Development of craft coordinators	
Human Resource Development	B3 Strengthening of technical skills in craft making	
Business Management Improvement	B4 Establishment of intellectual property ...	
Work Environment Improvement	B5 Provision of opportunities for market ...	
Access to Financing	C1 Raw material preservation, consumption ...	C: Establishment of Sustainable and Competitive Production System
Improvement of Physical Distribution	C2 Promotion of local industries in production areas	
Marketing Improvement	C3 Establishment of technical improvement ...	
Linkage with Tourism	C4 Strengthening of capacity of managers	
Impact on Natural Environment	C5 Improvement in work environment	
Assistance to Ethnic Minorities	D1 Education for minorities on value of ...	D: Strengthening of Ethnic Minority Support System
Traditional Values Preservation	D2 Preservation of traditional techniques...	
Others	D3 Formulation of & familiarization with ...	
	D4 Expansion of fair trade system	
	D5 Assistance for organizations working with ...	
	E1 Formulation of VDS through participatory ...	E: Strengthening Capacities of Craft Villages and Communes
	E2 Establishment of craft associations ...	
	E3 Securing of funds for craft production activities	
	E4 Environmental improvement in craft villages	
	E5 Establishment of marketing system for ...	
	F1 Establishment of organizations and ...	F: Development of Infrastructure Support
	F2 Provision of craft information support services	
	F3 Provision of financial support to craft sector	
	F4 Provision of infrastructure development support	
	F5 Human resource development	



Linkage between issues and strategies

Table 2.2.28 Action Data Sheet (Example)

Action Plan		A11: Creation of Guidelines for Research and Documentation of Traditional Crafts		
Background, Objective & Outline		<p>In order to recognize the traditional value of crafts, an objective assessment by outside evaluators is necessary in addition to the intrinsic viewpoint of the particular region. Such an evaluation system does not exist under current conditions.</p> <p>The objective of the action plan is to create a manual on research and documentation methods for researchers as well as the craft villages. The manual will be useful in identifying the traditional values of the craft sector.</p>		
Expected Impact		<ul style="list-style-type: none"> • Beneficiaries: Craft villages, craft producers. • Will be used as a common manual for the promotion of documentation activities of the craft villages. • Raise the awareness on Vietnamese traditional crafts among domestic and international academic and research institutions. 		
Implementation Plan	Responsible Agency	<ul style="list-style-type: none"> • Jurisdiction: MOCI • Implementing agencies: DOCI, Folk Art Association, VME, research institutes. 		
	Key Strategy	<ul style="list-style-type: none"> • Create a scheme for the craft villages to generate a local brand showing the regional and traditional uniqueness of the crafts. 		
	Implementation Steps	Short Term (2004-05)	Medium Term (2006-10)	Long Term (2010-)
		<ul style="list-style-type: none"> • Establish research and documentation methodology. • Create guidelines. • Implement the methodology in model areas. 	<ul style="list-style-type: none"> • Collect data of all provinces and create database. 	<ul style="list-style-type: none"> • Regularly update and improve the data.
	Inputs	<ul style="list-style-type: none"> • Task force (MOCI, DOCI, Folk Art Association, VME, NPOs). • Government budget: MOCI. 		
	Outputs	<ul style="list-style-type: none"> • Guidelines for researching traditional crafts and their documentation. 		
Necessity of External Assistance		<ul style="list-style-type: none"> • Domestic/international NPOs. 		
Linkage with Other Actions		<ul style="list-style-type: none"> • A12: Conservation and documentation of traditional values in the craft villages. • A13: Presentation of traditional crafts' documentation outputs. 		
Reference		<ul style="list-style-type: none"> • Case studies of the PP3: Preservation of traditional values of artisan crafts. • Studies on crafts and craft villages by the Folk Art Association. 		
Other Considerations		<ul style="list-style-type: none"> • Consideration of the Photovoice method. 		

c) Level of Importance of Strategies and Action Plans

Rank interests of and incentives for provinces on the identified 30 strategies and 90 action plans for the central government's reference by choosing one of the following three choices:

- A: Important strategy/action for immediate implementation.
- B: Interested in strategy/action, but need not be implemented immediately.
- C: Not interested in strategy/action, or not going to implement in the province.

Add or revise strategies and action plans to meet the needs and characteristics of your provinces.

Table 2.2.29 Proposed Strategies and Action Plans

Objective	Strategy	Rating	Action Plan/Projects	Rating
A: Establishment of mechanism to preserve traditional value of crafts	A1 Documentation of craft village traditions		A11 Creation of Guidelines for Research and Documentation of Traditional Crafts	
			A12 Conservation and Documentation of Traditions of Craft Villages	
			A13 Presentation of Traditional Crafts Documentation Outcomes	
	A2 Strengthening of local museums		A21 Research on Current Conditions of Local Museums	
			A22 Improvement of Conservation and Exhibition Methods for Crafts at Existing Museums	
			A23 Networking among Museums on Traditional Crafts	
	A3 Promotion of traditional craft research		A31 Establishment of Traditional Crafts Society	
			A32 Networking among Research Institutes	
			A33 Listing of Subjects of Researches and Studies	
	A4 Enhancement of master artisan system		A41 Revitalization of Master Artisan System	
			A42 Collection and Exhibition of Master Artisans' Works	
			A43 Crafts Promotion Assistance to Master Artisans	
	A5 Designation of title of traditional craft items		A51 Establishment of System for designation of Traditional Craft Title	
			A52 Collection, Exhibition and Preservation of Products Accepted as Traditional Crafts	
			A53 Promotion of Traditional Crafts	
B: Improvement of craft products development system	B1 Strengthening of design education programs		B11 Creation of Design Curricula for Existing Educational Institutes	
			B12 Establishment of Design Promotion Organization	
			B13 Expansion and Enhancement of Domestic/International Design Organizations Network	
	B2 Development of craft coordinators ¹⁾		B21 Development of Training Program for Product Development Coordinators	
			B22 Creation of Accreditation System for Coordinators	
			B23 Product Development Utilizing Coordinators	
	B3 Strengthening of technical skills in craft making		B31 Identification of Craft Skills	
			B32 Increase in Motivations of Craft Skills Advancement	
			B33 Establishment of Craft Skills Training Program	
	B4 Establishment of intellectual property rights system		B41 Development of Intellectual Property Rights Protection System	
			B42 International Registration of Marks for Protection of Intellectual Property Rights	
			B43 Issue of Special Accreditation Mark to Qualified Crafts	
	B5 Provision of opportunities for market appraisal		B51 Participation Assistance in Local and International Fairs and Exhibitions	
			B52 Dispatch of Specialists and Exchanges	
			B53 Establishment of Matching System for Producers & Buyers	

1) A coordinator understands the flow from technical transfer, product development and distribution to marketing; formulates a merchandising plan; evaluates and suggests to workers. A coordinator serves as bridge between producers and designers.

Continuation of Table 2.2.29

Objective	Strategy	Rating	Action Plan/Projects	Rating
C: Establishment of sustainable & competitive production system	C1 Raw material preservation, consumption & management system		C11 Inventory of Raw Materials	
			C12 Establishment of Raw Materials Conservation System	
			C13 Quality Improvement of Raw Materials	
	C2 Promotion of local industries in production areas		C21 Strengthening of Linkage among Craft Villages	
			C22 Development of BDS Providers	
			C23 Development of Production Areas as Local Brands	
	C3 Establishment of technical improvement & quality control system		C31 Formulation of Quality Control Criteria	
			C32 Stable Supply of Raw Materials, Improvement of Techniques and Equipment Investment Assistance	
			C33 Enhancement of Vocational School Programs	
	C4 Strengthening of capacity of managers		C41 Creation of Business Management Manual and Consultation	
			C42 Assistance System for Entrepreneurs	
			C43 Provision of Technical Training Assistance to Micro, Small and Medium Craft Enterprises, Managers	
	C5 Improvement in work environment		C51 Establishment of Occupational Safety Standards	
			C52 Establishment of Occupational Safety Support System	
			C53 Registration with International Standards	
D: Strengthen ethnic minority support system	D1 Education for minorities on value of crafts and importance of craft development		D11 Development of Craft Education Method and Manual	
			D12 Development of Village Trainers	
			D13 Development of Distance Learning	
	D2 Preservation of traditional techniques & crafts		D21 Research and Documentation of Traditional Values	
			D22 Restoration of Traditional Techniques	
			D23 Preservation of Traditional Crafts	
	D3 Formulation of & familiarization with technical & management guidelines		D31 Provision of Craft Production Technique Training	
			D32 Creation of Business Management Manual	
			D33 Provision of On-the-Job Training	
	D4 Expansion of fair trade ¹⁾ system		D41 Establishment of International Fair Trade Participation Mechanism	
			D42 Opening of Pilot Shops	
			D43 Establishment of Mechanism to Receive Consumer Feedback	
	D5 Assistance for organizations working with ethnic minorities		D51 Strengthening of Ethnic Minority Support Organizations' Capacities and Linkage with Government	
			D52 Creation of Ethnic Minority Assistance Model	
			D53 Conduct of Forum among Organizations Assisting Ethnic Minorities	

1) Fair Trade is a form of trade protecting producers from greedy middlemen and directly linking producers in developing countries and buyers in developed countries. As a result, producers get an equitable share of the profit and consumers purchase products at fair prices.

Continuation of Table 2.2.29

Objective	Strategy	Rating	Action Plan/Projects	Rating		
E: Strengthening of capacity of craft villages and communes	E1 Formulation of village development strategy (VDS) ¹⁾ through participatory approach		E11 Creation of VDS Manual & Guidelines			
			E12 Establishment of VDS System			
			E13 Institutionalization of VDS			
	E2 Establishment of craft associations/ provision of assistance to cooperatives			E21 Establishment of Artisan Craft Association		
				E22 Assistance to Existing Craft Cooperatives		
				E23 Networking among Craft Promotions Organizations		
	E3 Securing of funds for craft production activities			E31 Establishment of Craft Fund		
				E32 Establishment of Financial Procedures to Access Financing Schemes		
				E33 Study on Accessing ODA		
	E4 Environmental improvement in craft villages			E41 Study of Environmental Issues in Craft Villages		
				E42 Development of Environment Assessment System for Craft Villages		
				E43 Environment Quality Development Assistance		
	E5 Establishment of marketing system for village crafts			E51 Use of "Torisetsu" ²⁾ and Development of Trademark System		
				E52 Development of Tourism/Tourist Incentives		
				E53 Product Development Using Local Materials and Techniques		
F: Development of Assistance Infrastructure	F1 Establishment of organizations and institutions related to craft sector promotion			F11 Establishment of National Craft Council		
				F12 Establishment of Provincial Craft Councils		
				F13 Development and Streamlining of Institutions Related to Craft Sector		
	F2 Provision of craft information support services				F21 Regular Updating of Craft Website	
					F22 Establishment of One-stop Craft Center	
					F23 Development of Distance information Service to Remote Areas	
	F3 Provision of financial support to craft sector				F31 Budget Allocation for Craft Sector from Ministries and Provincial Governments	
					F32 Improved Access to Existing Financing Schemes	
					F33 Effective Use of ODA	
	F4 Provision of infrastructure development support				F41 Improvement of Transportation Access to Markets	
					F42 Support for Improvement of Utilities and Services in Craft Villages	
					F43 Support for the Improvement of Common Production Facilities for Craft Promotion/Development	
	F5 Human resource development				F51 Training of Public Officials Responsible for Craft Sector	
					F52 Establishment of Database on Craftspersons and Organizations	
					F53 Establishment of Overseas Exchange Program	

1) VDS is a plan developed not by the Government or outside organizations but by the villagers themselves.

2) It should include information on raw materials, craft history, craft village characteristics, and message from the producer. This information adds value to the craft products.

4) Programming

Prepare an implementation schedule of over five years for actions with high priority and that can be realized within five years among the action plans. (see Table 2.2.30)

It is necessary to build consensus on the location and period of implementation and organizational structure with related agencies (organizing a feedback seminar for stakeholders).

Table 2.2.30 Implementation Schedule for Craft Action

Action Plan	Implementing Agency	Schedule for Implementation				Necessary Support
		2004	2005	2006	2007-08	
1. Preservation and documentation of craft villages' tradition	DOCI					MOCI, VME
2. Establishment of craft council	Provincial PC					Donor
3.						
4.						

5) Measures for Implementation

There are two types of actions: those that can be implemented using the province's own funds and resources; and those that require external support (see Table 2.2.31 for a checklist of action implementation measures).

For actions that can be implemented using the province's own resources, plan implementation measures by optimizing existing human and natural resources of the province. Place the craft sector promotion program in the existing framework by revising existing plans or programs or implementing necessary budget allocations.

For actions that require external support, carefully examine what kind of support is required among the following: (a) funding; (b) technology; (c) policy and system; or, (d) human resources. At the provincial level, in particular, enhance the ability to manage (a), (b) and (c). Therefore, put particular emphasis first on human resource development, that is (d). Implement this measure by inviting domestic and overseas leaders or experts.

Table 2.2.31 Checklist of Action Implementation Measures

Action Plan	Implementation Through Province's Own Resources		External Support and Supporting Agency			
	Main Agency	Implementation Measure	Fund	Technology	Institutional Reform	Human Resources
1. Preservation and documentation of craft villages' tradition	DOCI	Distributing manuals to communes	MOCI budget	Dispatch researchers from VME		Implementation of training at provincial museum
2.						
3.						
4.						

6) Role Sharing

Implementation of the proposed strategies and actions need to involve a wide range of stakeholders from both the public and private sector who are responsible for attending to sectoral and crosscutting issues in a coordinated manner. In this chapter, identify necessary institutional arrangements for craft development in the province.

Table 2.2.32 Possible Role Sharing among Stakeholders at Provincial Level

Objective	Strategy		Provincial Governments		Responsible Agency ²⁾
			Main ¹⁾	Sub	
A: Establishment of mechanism to preserve traditional value of crafts	A1	Documentation of craft village traditions	<i>DOCI</i>	<i>DOI</i>	<i>Museum, VCA</i>
	A2	Strengthening of local museums			
	A3	Promotion of traditional craft research			
	A4	Enhancement of master artisan system			
	A5	Designation of traditional craft items			
B: Improvement of craft products development system	B1	Strengthening of design education programs			
	B2	Development of craft coordinators			
	B3	Strengthening of technical skills in craft making			
	B4	Establishment of intellectual property rights system			
	B5	Provision of opportunities for market appraisal			
C: Establishment of sustainable & competitive production system	C1	Raw material preservation, ...			
	C2	Promotion of rural industries in production areas			
	C3	Establishment of technical improvement ...			
	C4	Strengthening of capacity of managers			
	C5	Improvement in work environment			
D: Strengthening of ethnic minority support system	D1	Education for minorities on value of ...			
	D2	Preservation of traditional techniques & crafts			
	D3	Formulation with technical & management guidelines			
	D4	Expansion of fair trade system			
	D5	Assistance for organizations working with ethnic ...			
E: Strengthening of capacity of craft villages and communes	E1	Formulation of VDS through participatory approach			
	E2	Establishment of craft associations...			
	E3	Securing of funds for craft production activities			
	E4	Improvement of environment in craft villages			
	E5	Establishment of marketing system for craft villages			
F: Development of infrastructure support	F1	Establishment of organizations ...			
	F2	Provision of craft information support services			
	F3	Provision of financial support to craft sector			
	F4	Provision of Infrastructure development support			
	F5	Human resources development			

1) Main agency is only one.

2) Responsible agency is such as VCA, VCCI, Research institute, banks, museums, women's union, donor, NGO, etc.

7) Monitoring

Monitoring should be done not only per project or action but also per policy and strategy. Monitoring should be undertaken not only from by the implementing body but also by the beneficiaries. This is one of the most important functions of the proposed craft council at national and provincial levels. Some of the criteria for evaluation are: the project/ action/ policy/ strategy (a) properly benefits the craft villages and communes in the rural areas; (b) sustainably supports production of crafts; and, (c) complies with the direction of key policies in Vietnam. Identify specific indicators that meet provincial conditions. (see Table 2.2.33)

Table 2.2.33 Evaluation Framework for Monitoring

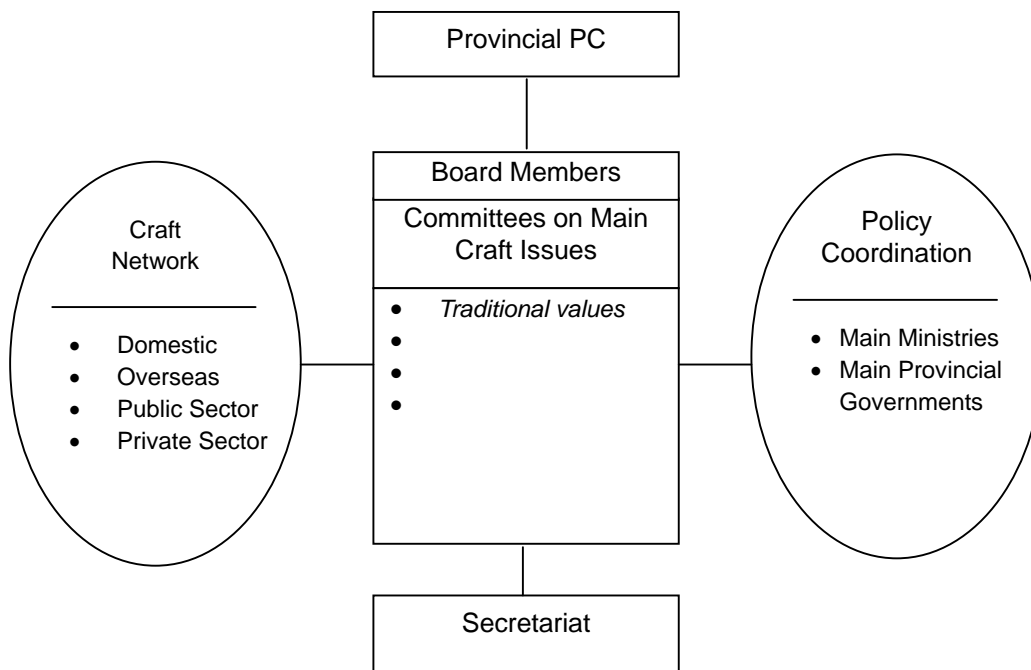
Evaluation Aspect		Indicator
Craft Villages/ Communes	1.Traditional, cultural and social development	•
	2.Rural economic development	•
	3.Independence and sustainability of rural areas	•
Production System and Working Condition Improvement	1.Sustainable production systems	•
	2.Marketing promotion	•
	3.Relevance of plans	•
Key Issues in National Development Policies	1.Impact on ethnic minorities	•
	2.Poverty alleviation	•

Task 5. Finalization and Endorsement of Master Plan

The national master plan proposes the establishment of a “National Craft Council” comprising concerned central governmental agencies (MARD, MOI, MOCI, MoTrade) and private and relevant organizations (cooperatives, associations, museums, research institutes, etc.). The Provincial Craft Council, in particular, has a role in linking the policies and measures set by the central government to the craft villages and communes through concrete plans and measures. The necessity of the Provincial Craft Council, its roles, and member organizations are described below. (see Figure 2.2.3)

- 1) Role and importance of the Provincial Craft Council
- 2) Role and responsibility of the council
- 3) Scope of activities of the council
- 4) Selection of Organizational structure of the council including Chairman, Executive board, Secretariat, and Members of provincial governments and agencies

Figure 2.2.3 Conceptual Diagram of the Provincial Craft Council



Task 6: Participation of Stakeholders

Hold workshops to bring together groups directly involved in the craft sector to prepare the master plan. Organize seminars targeting a wide range of stakeholders. These workshops and seminars can help build consensus on the contents and methods of the master plan, as well as help enhance the sense of ownership of the outcomes among the stakeholders.

2.3 Implementation Structure

Organize the structure for the study and implementation when formulating a master plan (see Figure 2.3.1). Organize a Task Force under the Steering Committee to include representatives from the provincial government and related agencies as well as from the private sector. Then, this structure will be able to suitably cover the main parties involved in the craft sector. At the same time, organize a counterpart team at the craft village/ commune level to obtain local information and encourage the locals to participate in the planning process (issue identification, task setting, strategy making, etc.). This organized structure can be used effectively for policy/ action implementation even after the completion of the study. It would be ideal to institutionalize the Steering Committee as the “Provincial Craft Council”.

Figure 2.3.1 Implementation Structure

