

# **Policies on New Rural Development Basing on Community in Vietnam**

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## ***1. New rural development related policies in Vietnam***

On 16 April 1999, the Government issued Decree No. 24/1999/ND-CP regulating the mobilization, management and use of voluntary contributions from the people to build infrastructure of the communes and towns. Decree 24 stated clearly about the role of the people when they are mobilized to contribute voluntarily in the construction of local infrastructure. When contributing money, labor, people are entitled to discuss the contribution level, manage their contributions and receive priorities to directly get involved in infrastructure construction activities with the resources they contribute.

Regulation on monitoring of community investment was also attached to Decision No. 80/2005/QĐ-TTg dated 18 April, 2005 by the Prime Minister. This regulation stated the role of community in supervision and responsibility of the relevant units. The provisions set forth in this regulation is currently being applied in national targeted program on new rural development.

On 20 April 2007, the Standing Committee of the National Assembly enacted Ordinance No. 34/2007/ PL-UBTVQH11 on implementing democracy in communes, wards and townships to ensure people's right to know and participate in discussion, decision, implementation and monitoring democracy implementation at the communal level.

The pilot of new rural development program in the period of industrialization and modernization (Pilot Program) is implemented under Conclusion No. 32/KL-TW dated 20 November 2008 of the Political Bureau and Conclusion No 238/TB-TW dated 07 April 2009 of the Secretariat Board on the project of "Pilot construction of rural new models", to implement Resolution No. 26/NQ-TW dated 05 August 2008 of the 7th Congress, the Party Central Committee (Xth) about "agriculture, farmers and rural areas."

The Secretariat Board of the Party Central Committee has assigned 11 communes representing the economic-cultural regions of the country to participate in pilot construction of new rural models. To implement the Party's Resolution, on 16 April 2009 Government issued Decision 491/ QĐ-TTg regulating a national set of criteria including 19 new rural criteria. Along with the 11 pilot communes, other provinces, cities in the whole country also have pilots on new rural models with different ranges but following national 19 criteria.

Pilot program for new rural development in the period of modernization and industrialization was directed by the Secretariat board in 11 communes in three years (2009-2011). This is to build the communes to become a realistic new rural development model, and at the same time, to change mechanisms and policies which are not suitable with the new rural development approach basing on community resource such as management mechanism using state support

budget, basic construction management mechanisms. On that basis, lessons are drawn in terms of content, mechanisms and policies to accelerate, replicate the model when implementing new rural development on a national scale.

Principle of implementing new rural model at commune level is to base on local community internal resources. State only partially supports directly to the communes to promote the contribution of people and communities. The specific activities of each pilot are proposed and designed by the people themselves on the basis of democratic discussion, publicity and it is decided by the community. The local Party committees, governments play a leading role, to operate the planning and implementation of policies, mechanisms, to create legal framework, support finance, technique, resources, and create motivation for people to implement their ownership throughout the community.

To mobilize resources for pilot activities in 11 communes, the Ministry of Finance issued Circular No. 174/2009/TT-BTC dated 08 September 2009 to guide mechanisms to mobilize and manage capital source in 11 communes. The Circular identified resources and workdays of the people and communities in the village as one of the resources for implementing this project of the Party Secretariat. The capital management performance is as follows: (i) for the objects that receive support of the state budget above 50% or more, they shall comply with the provisions of this Circular; (ii) For objects that receive support of the state budget less than 50%, then capital management is done by the community and it is discussed and agreed by the commune's new rural development management board.

Mechanisms to mobilize capital for implementing new rural development is based on the principle of maximum mobilization of local resources; mobilizing voluntary contributions from people (human and materials), to build their villages (with the principle that the State and people work together); mobilizing business investment.

In the pilot program on new rural development of the Party Secretariat board, the central budget supports 100% funding for 05 communal infrastructure (roads, health station, communal offices, schools, houses of culture) and 02 activities (planning, training for staff on new rural development). For other contents in the project on new rural development of each commune, the principle is that the support from the central budget shall not exceed 70%. The rest (30%) will be mobilized from local community resources, businesses, etc. This Circular does not specify that for this 30%, if it can be provided from the donation of land for infrastructure or from labor or cash.

On June 4, 2010, the Government issued Decision No. 800/QĐ-TTg approving the national target program on new rural development in the period 2010 - 2020. After the Prime Minister's decision of national targeted program on new rural development, the Ministry of Agriculture and Rural Development, Ministry of Planning and Investment, Ministry of Finance issued joint Circular No. 26/2011/TTLT BNNPTNT-BKH-BTC dated 13 April 2011 guiding a number of

contents to implement the new rural development. The principle for implementation is to promote the role of local communities, the government only plays an orientation role, who issuing criteria, regulations, and specific activities which are discussed by the community in villages and communes to get democratic decision-making and implementation.

## **2. Assessment on implementation results of new rural development program.**

### **2.1 Implementation results (up to the end of 2014):**

#### *a) Number of communes completed new rural development (NRD) standard (19 criteria):*

At the end of 2014, there were 785 communes (8,8%) that got NRD standards. National Average Criteria is about 10 (higher 5,38 cr/commune in comparison with 2010); there are 1.285 communes that got 15 to 18 criteria (14,5 %); 2.836 communes from 10 to 14 criteria (32,1 %); 2.964 communes from 5 to 9 criteria (33,6 %), 945 communes that got less than 5 criteria (11 %). In forecast, there will be 5 districts which will get NRD standard at the end of 2015 and about 1.800 communes all over the country (20%).

#### *b) Criteria status:*

- **Planning criteria:** 97,2% of total communes matched this requirement.
- **Eco-Socio criteria:** Transportation: **23,3 %** of total communes; Irrigation: **44,5%** of total communes; Electricity: **75,6%** of total communes; School: **30,8%** of total communes; Culture: **17,9%** of total communes; Trading place and market: **45%** of total communes; Post office: **86,2%** of total communes; House: **50,2%** of total communes.
- Economic aspects: Income: 44,5% of total communes; Poor rate: **36,4%** of total communes; Labor: **72,2%** of total communes; Production form: **65%** of total communes.
- **Culture-Socio-Environment:** Education: **61%** of total communes; Health : **54,2%** of total communes; Culture: **56,5%** of total communes; Environment: **26,8%** of total communes.
- **Politic system:** Politic-Socio organization system: **68,2%** of total communes; Social security: **91%** of total communes.

In three years from 2011 to 2013, the program has mobilized 485 trillion, of which:

a) State Budget provided 161 938 billion VND, which accounted for 33.4%, of which direct support capital for the program is 50 048 billion VND (10.3%), including the central budget 5469.16 billion VND (1.1%) and local budgets at all levels 44579.15 billion VND (9.2%); Integrated capital 111,889.7 billion VND (23.1%).

b) Credit capital was 231,378.1 billion VND, accounting for 47.7%.

c) Support of the enterprises was 29900.91 billion VND, accounting for 6.0%.

d) Contributions of people was 62841.07 billion VND, accounting for 13.0%. Despite several attempts, the budget allocated for the program was lower than the proposed task; Investments by domestic enterprises and foreign investments to rural areas were low; Lack of effective integration mechanism of programs and projects in rural areas.

## ***2.2. General assessment on implementation results of new rural development program***

### ***a. Successes***

The new rural development program is implemented with a new approach and new mechanism, in which local people are full of self-determination. The program is highly appreciated throughout the country, especially rural residents. The perception of most staff has been changed dramatically: from relying on State support it was transformed into self-reliance, voluntary contributions for NRD; Democracy in rural areas have been raised; NRD has become extensive in all communes in the whole country. Essential infrastructure was upgraded, the face of rural areas was changed in most parts of the country; Income of people in 2014 increased approximately twice compared to 2010; Poverty rate decreased at an average of 2%/year; Capacity of local staff at commune, village level were significantly improved, especially the ability to develop projects, capacity to do public advocacy, democratic practices etc.

It can be seen that the participation of the people in the pilot implementation of the new rural development was very positive. The statistics reflected the results of the community's contribution, in terms of value, for new rural development. These contributions include cash, land, crops, labor.

### ***b. Challenges***

- Development of gaps amongst some regions, especially in disadvantaged areas are still growing.
- Policy to mobilize resources for NRD, especially from the private sector, is not effective (Investment for rural development accounts for only 3.7%).
- The program management structure at all levels has not been systematic and its efficiency is limited.
- Completion of some basic criteria are still at low rate: transportation 23.3%; cultural infrastructure 17.9%; poverty 36.4%; environmental projects 26.8% of total communes.

## **3. Role of communities in new rural development**

The participation of communities in the new rural development is particularly important, and it is decisive for the success of each new rural community in each commune in each province. New rural development policies include various contents, each content needs the contribution of community in many different forms. In general, the involvement of communities is important to

help the communes to gradually develop their typical new rural development model which meeting targets set out in the pilot program of the Party Secretariat.

There are two sides regarding involvement of the community. On the one hand, a majority of people still expect the support from outside sources. On the other hand, there has been a significant change in perception of the community in new rural development. They actively contribute more, they do not expect the State's support but just look forward to receive preferential loans for production development. They are willing to contribute more capital and labor while state investment is decreasing.

To mobilize community resources, through implementation of the pilot program, the pilot communes have undertaken various measures. There are many good, creative ways and their lessons learned can be applied to other regions.

- When developing new rural development plan, it needs to determine the ability of the community, the resources of the community, the level of awareness, cultural characteristics and beliefs of the community. This is important content when assessing commune reality.

- Regarding community resources, mobilization of cash contributions can be in the forms of household member, household, crop season, extending contribution time, mobilizing household member to work in other cities. The mobilization of assets, particularly land donation, should have a deft movement, to convince the agreement of people.

The mobilization of labor can be agreed by population when it brings them benefit. There are many ways of organizing labor in which the community can discuss and agree on how to do it. In terms of participation mobilization, it needs to specify the issues so that people understand and provide their comments, and their opinions. This was also the reason that in many communes, dozens of public meetings have been organized to agree on new ideas.

#### **4. Policy recommendations**

New rural development program has been implemented for many years, with the motto "based on community resources", but there was no specific policies and mechanisms yet to promote the participation of the community. The measures, policies and mechanisms below will help the new rural development program, to enhance the effectiveness of community participation in new rural development:

- There are solutions to enhance training and capacity building for local officials, from provincial to village levels. This capacity is not just about knowledge on new rural development but also includes communication, advocacy, meeting organizing skills. Experience in South Korea and China also showed the importance of staff capacity, especially the staff at local level. If they are well trained then they can organize, lead the community, and mobilize community participation. To accomplish this, the Central Steering Committee for new rural development needs to

reorganize staff training as it did in the pilot program, and assign the schools, research institutes to train for local staff.

- It needs to simplify investments, financial settlement procedures for the construction of infrastructure. The pilot program has a specific mechanism to implement but according to evaluation of the pilot commune officials, it is still difficult to mobilize the participation of the community.

- In all the communes, the role of women is particularly important. Women unions (WU) support women in economic development of households and encourage the implementation of cultural and social activities. Therefore, in the national targeted program on new rural development, it needs to supplement their own mechanisms so that WU hold a specific role and promote their voice, then WU can call for the participation of the community more effectively. At the commune level, Head of Women Union can be assigned as Deputy Head of the new rural development management board in the commune. At the village level, head of rural women associations can be assigned as the head of rural development board together with party secretary or village head.

- There is a need to separate documents regulating the mobilization of community involvement in new rural development program. In which, the following issues can be particularly paid attention to:

- Specify the process of taking the opinions of the people for the content about people's participation as stated in the Joint Circular No. 26. In particular, as for getting opinion of the people about the planning and new rural development program, it needs to require the communes to specify the contents into the details, to help people understand the problem, then organizing a number of meetings with the particular topics for getting people's comments.
- Specify the mechanism for mobilizing voluntary contributions for the infrastructure construction as regulated since 1999 under Decree No. 24/1999 / ND-CP of the Government. In which, the responsibilities of the involved units and the role of community monitoring committee should be specified.
- It needs to consider mechanisms to mobilize resources from the community including land donation for public works (transport, canals, houses of culture). As not being compensated, many households will meet difficulty when donating land. Therefore, it should have the regulations on special case about compensation to mobilize people's contribution in the commune.
- As for village construction projects, there is a part of the state support, and it needs to allocate to all the villages to implement on the basis of commitment between the village and the investors about quality, implementation progress.

- The participation of people: despite the Ordinance on grassroots democracy, in practice, the participation and participation rights of people have not been fully implemented yet. Getting people's opinion in determining investments need is one of the required conditions for project support.
- Each province, district develop mechanisms to praise and reward for the communes who have good results, for individuals, groups who have contributed to the new rural development. Every year, the Central Steering Committee should organize rewards meeting at the national level, to create movement in striving to build new rural across the country.

### **References**

Decree No. 24/1999/ND-CP on 16 April 1999 of the Government regulating the mobilization, management and use of voluntary contributions from the people to build infrastructure of the communes and towns.

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Decision No. 800/QD-TTg of the Government on June 4, 2010, approving the national target program on new rural development in the period 2010 - 2020.

Circular No. 26/2011/TTLT BNNPTNT-BKH-BTC dated 13 April 2011 guiding a number of contents to implement new rural development.

Circular No. 174/2009/TT-BTC of Ministry of Finance dated 08 September 2009 guiding mechanisms to mobilize and manage capital source in 11 communes.

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