

Economic Restructuring at the District Level towards Sustainable Development

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Abstract

Economic restructuring at the district level towards sustainable development is one of the important goals of the Party and the State. Looking back at the development process in recent years, it cannot be denied that Vietnam's economy has made significant progress. Attached to that development is the process of sustainable restructuring at the district level. Through a case study in Hoai Duc district, the author proposes sustainable development solutions for all levels within the district.

Keywords: Economic restructuring at the district level towards sustainable development

1. Introduction

Looking back at the changes and development process in recent years, it cannot be denied that Vietnam's economy has made significant progress since the country first opened its economy. Attached to that development is the process of sustainable restructuring at the district level, which is reasonable and chosen correctly, helping us to identify relative advantages and enhance competitiveness in the international arena, and be more proactive in integrating with the world. It can be seen that the sustainable restructuring in Hoai Duc district has demonstrated the effectiveness of resource allocation in the country. This is considered a typical district for economic restructuring towards sustainable development in the whole country. The comprehensive innovation of the country requires innovation to take place at each locality. During the economic development stage, strong integration into international economic relations as well as the implementation of Party and State policies in

recent years, 63 provinces and cities across the country, and district-level towns under provinces and cities, have implemented policies to promote sustainable economic restructuring by industry. In the final years of implementing the Resolution of the Party Congresses at all levels for the 2015-2020 term with the theme “Promoting the strength of the entire political system, striving to successfully achieve the targets and tasks for the 2015-2020 term, and organizing the Party Congresses at all levels”, the People's Council of Hoai Duc district has achieved encouraging results such as a total gross output of VND 25,740 billion, reaching 99.3% of the plan for the year, and a growth rate of 10.8% compared to the same period. Although it did not meet the target of 11.5% for 2021, in the context of the complex pandemic situation, it is evaluated as one of the 5 units with high growth rates in the country.

In 2021, per capita income will reach 60 million VND/person/year, 13 million VND higher than in 2019. The economic structure shifts in a positive direction. Industry - service - agriculture Hoai Duc district: 58.1% - 25.2% - 16.7%. However, somewhere still appear inadequacies and limitations in the local restructuring, affecting the economy of Hoai Duc District such as realizing the dual goals of repelling the pandemic, developing socio-economic turning challenges into opportunities, actively integrating into the international economy, effectively responding to natural disasters, fires, pandemics, and market movements. It is especially difficult to maintain a sustainable level of structural transformation in Hoai Duc District towards a sustainable direction in order to improve the productivity, efficiency and competitiveness of the economy of Hoai Duc District. Sustainable restructuring in Hoai Duc District is a mirror reflecting the development of science and technology, production force, division of labor, specialization and production cooperation. can see the level of economic development of the country, province/city, district/district, etc.

2. Actual Situation of Economic Restructuring in Hoai Duc District towards Sustainable Development

In the period from 2018 to 2022, Hoai Duc District’s agriculture has developed relatively comprehensively with a good growth rate. In which, the most positive thing is that agricultural services in Hoai Duc District are increasing strongly; then the modern livestock industry.

Table 2. Value and value structure of agricultural sector in Hoai Duc District period 2018 - 2022

Category	Unit	2018	2019	2020	2021	2022
Value of agricultural production	Billions dong	556.0	861.9	2,391.5	2,773.8	2,742.6
Crop		272.4	410.3	985.4	944.7	806.3
Breed		260.5	424.1	1,381.5	1,386.5	1,341.0
Agricultural service		23.1	27.5	140.5	330.1	742.7
Proportion	%	100	100	100	100	100
Crop		49.0	47.6	39.3	35.5	27.9
Breed		46.6	49.2	55.1	52.1	46.4
Agricultural service		4.4	3.2	5.6	12.4	25.7

(Source: District Statistical Yearbook, 2018 - 2022)

This makes an important contribution to the structural transformation, economic growth and social stability of Hoai Duc District.

The agricultural production value of Hoai Duc district has increased rapidly, especially since the merger (after 2019). The proportion of crop production is still the highest compared to breed and agricultural services in the District; but is on a decreasing trend. The proportion of breed is relatively stable, also tends to increase but not much; and especially agricultural services in Hoai Duc District tend to increase continuously. However, agriculture in Hoai Duc District also clearly shows the nature of small, odd, self-sufficient, self-sufficient, not really transformed into a commodity production industry.

Transitioning to a new mechanism, the development of the commodity-based economy linked to the market has encountered numerous challenges such as poor technical infrastructure, limited and outdated machinery and equipment, insufficient asset value, inadequate production capital, and inadequate infrastructure to stimulate production and engage with external markets.

With the determination to implement industrialization and modernization in agriculture, the rural area of Hoai Duc District, under the leadership of the Party and the local people, is witnessing remarkable developments in the industrial sector. The growing industrial sector is gradually reshaping the economic landscape of Hoai Duc District, accelerating the process of economic restructuring and effectively tapping into the district's potential.

Table 2. The value of production and the industrial sector's growth rate in Hoai Duc District from 2018 to 2022

Categories	Unit	2018	2019	2020	2021	2022
Production value	Billions dong	1,603.6	2,009.3	4,991.4	5,972.6	6,730
Industry		623	847	2,841	3,242	3,951
Agriculture and Animal Husbandry		414	689	1,320	1,463	1,635
Growth rate	%	9.7	11.2	9.8	10.3	13.0

(Source: Economic Report for the years 2018 - 2022)

* Cottage Industry and Traditional Craft Villages

In the industrial sector of the district, cottage industry plays a significant role due to its long-standing traditional factor, acting as a bridge between large-scale industrial production and small-scale industrial production, as well as connecting production directly with the consumption needs of the people.

Currently, the entire Hoai Duc District has 160 villages engaged in traditional crafts out of a total of 214 villages, accounting for 74.77%. Among them, the most popular craft is bamboo and rattan weaving, with 27 villages, accounting for 87.09%. The remaining crafts include agricultural and forestry processing, palm leaf hat making, embroidery for export, woodworking, and more. Bamboo and rattan weaving is a traditional craft of the district, with all 32 communes and towns engaging in this craft. It has attracted over 50,000 households and more than 120,000 laborers. Out of 150 businesses, 75 are private enterprises and limited

liability companies engaged in bamboo and rattan weaving production.

The cottage industry in Hoai Duc District originated from simple crafts, mainly done during leisure time to meet essential needs within households. Gradually, with increasing demand, including from neighboring markets, and readily available raw materials, the cottage industry has developed and become a traditional sector of Hoai Duc District, known for its famous products. These traditional handicraft products not only meet local demand but are also exported to other countries, particularly bamboo and rattan products.

The bamboo and rattan handicrafts of Hoai Duc District have been widely developed domestically and exported to various countries worldwide, including Japan, South Korea, the United States, and EU countries. Hoai Duc District is currently implementing a plan to develop craft villages in conjunction with Phu Vinh-Phu Nghia tourism.

The sustainable structural transformation in Hoai Duc District has had an impact on economic efficiency.

- *Gross output and the proportion of gross output in the surveyed area:*

The changing relative proportions of sectors and sub-sectors in the rural economy of Hoai Duc District in recent years have contributed to the increasing vibrancy of the countryside.

Regarding the structure of the gross output, there are differences between regions. The mountainous region has the highest proportion, with agriculture, forestry, and fisheries accounting for 52.12%, followed by trade and services at 25.98%, and industry and handicrafts at 22.0%.

The delta region has the highest proportion of industry and handicrafts at 45.32%, followed by agriculture, forestry, and fisheries at 35.25%, and trade and services at 19.43%.

- *The exchange value and the proportion of exchange value in agricultural and rural sectors:*

The total exchange value in the three regions is 40.47 billion VND, with the highest in the peri-urban area at 56.56 billion VND, with a commodity rate of 84.14%, and the lowest in the delta region at 31.37 billion VND, with a commodity rate of 85.36%.

In terms of the overall structure of the regions, crop cultivation and animal husbandry are roughly equivalent (crop cultivation 47.95%, animal husbandry 47.65%). In the research regions, livestock farming is dominant in the mountainous region, accounting for 52.58% of the gross output, while crop cultivation is dominant in the peri-urban, accounting for 51.67%. In the delta region, both crop cultivation and animal husbandry have similar proportions (crop cultivation 48.29%, animal husbandry 47.82%).

Some economic efficiency indicators in the rural economic structural transformation in the research area:

The evaluation of efficiency in the rural economic structural transformation, as shown in Table 2.1 and 2.2, indicates that the gross output per hectare per year in the three regions is

90.3 million VND, with the highest in the peri-urban area at 143.3 million VND and the lowest in the mountainous region at 53.4 million VND/ha, which is 2.7 times higher than the lowest region.

3. Solutions for Sustainable Economic Restructuring in Hoai Duc District

Promoting the restructuring of economic sectors towards industrialization and modernization at the district and rural levels, creating fundamental factors for high and sustainable growth.

- Restructure agricultural activities at the district level:
 - + To strive for a growth rate of 4-5%, it is necessary to shift the crop structure towards intensive cultivation, reducing costs, increasing productivity, quality, and income per unit of cultivated area and labor. Encourage and replicate integrated farming models such as rice + fish, rice + shrimp combined with livestock farming. Promote specialized cultivation of industrial crops, fruit trees, vegetables, and aquaculture.
 - + Conducting research and implementation of proactive irrigation measures to support intensive cultivation, increase rice productivity, expand the area of winter crops such as maize and other crops on double-cropped paddy fields.
 - + Focusing on intensive cultivation to increase productivity of peanuts, soybeans, and high-value vegetables.
 - + Investing in the development of industrial and semi-industrial livestock farms, aiming for the livestock sector to account for 45-50% of agricultural gross output at the district level by 2030.
 - + Developing synchronized fishing, aquaculture, processing, and services in the fisheries sector. Enhance the transformation of mixed orchards into commercial production orchards, increasing income and contributing to improving the ecological environment.
- High concentration on industrial and small-scale handicraft development:
 - + Focusing on products with advantages in terms of raw materials and market competitiveness, such as processed bamboo and rattan products, agricultural processing, food, and construction materials.
 - + Forming concentrated small-scale industrial production clusters at the district level in Phu Nghia, Dong Son, and Dong Phuong Yen communes, creating favorable conditions in terms of incentive mechanisms, calling for domestic and foreign economic entities to invest in building small-scale industrial and service facilities to exploit the potential and strengths of economic regions within the district.
 - + Restoring and develop traditional craft villages, introduce and develop new trades, increase investment in the application of scientific and technological advances to improve product quality, enhance design, build product brands, and increase

competitiveness, efficiency, and scale of small-scale industrial production facilities in towns and townships.

- Investing in commercial services and tourism development:
- + Developing a strategy for the development of commodity economy, establish markets, expand market scale, and parallelly improve product quality.

Continuing to support the development of the agricultural market at the district and rural levels, participating in the market in the city, and focusing on the Ha Dong market. Strengthening and expanding traditional markets, actively seeking new markets for export goods.

Developing a commercial service system linked to the urban planning system (towns, wards, economic centers, and cluster centers). Diversifying types of services: transportation, postal and telecommunications, bank credit, supply services, consumption of materials, goods, repair services, etc. Focusing on developing mechanical and electrical services to serve the agricultural production at the district level, small-scale industry, and implementing the goals of mechanization and electrification. In towns and wards, encouraging all economic components to participate in production and business. Developing strongly small and medium-sized enterprises, production organizations, households, and building strong associations and businesses that have enough strength to gather and create a competitive position in the market inside and outside the city, building links between farmers, artisans, small entrepreneurs, and agricultural service cooperatives at the district level with the state, enterprises, and scientists to promote the economic process.

Accelerating the implementation of tourism economic development projects in the central area and surrounding areas. The district People's Committee directs the construction of projects, calling for economic components inside and outside the district to invest in building tourism infrastructure: transportation, restaurants, hotels, motels, embellishing historical relics, scenic landscapes, etc. to serve tourists.

Paying attention to training and fostering the staff and workforce for tourism economy. Collecting, preserving, and promoting the traditional cultural values of Nga Son's homeland and people, both tangible and intangible cultural values. Promoting propaganda work, encouraging people in the district to actively participate in achieving the goal of developing tourism economy.

Leveraging the overall strength of the people and economic components inside and outside the district, exploiting capital sources, promoting investment in production and business, and promoting a sustainable structural shift at the district level.

Capital should be mobilized from various sources: businesses within the province, outside the province, and foreign investors, as well as from budgetary funds including capital project programs from international financial organizations, governments, and non-governmental organizations.

State investment capital needs to be concentrated on investing in infrastructure, transportation,

irrigation, social welfare projects, and acting as a catalyst to attract investment capital from investors.

The main sources of capital are still from investors and the people, accumulated through the development of production, exports including labor exports, and remittances from overseas workers.

Another significant source of capital that the district level can obtain is through reasonable planning, allocating land funds for expanding production and business, and constructing residential clusters.

On the other hand, it is necessary to prepare well for projects, obtain multiple feasible projects, and take advantage of external funding sources.

Promoting the application of advanced science and technology in various fields, diversifying export goods

It is necessary to promote the application of high-yield and high-quality crop varieties suitable for the conditions of each region, with a focus on the application of F1 hybrid rice varieties, hybrid corn varieties, seed breeding, and the control of breeding of various types of shrimp and fish, as well as shifting towards aquaculture.

Priority should be given to funding the implementation of crop and livestock breeding programs from the city down to the district level, especially in areas favorable for large-scale production of commodities such as peanut production areas and aquaculture areas.

In addition, it is significant to increase investment in agricultural extension centers and promotion of fisheries to focus on researching technical applications in district-level agricultural production throughout the district. Building a team of agricultural and fisheries extension officers at grassroots levels to transfer technological advances to farmers, creating conditions for promoting production towards intensive farming and commodity production is also crucial.

The basic survey program should be continuously promoted to improve the understanding of natural and socio-economic conditions as a basis for production orientation strategies.

The renewal of equipment and transfer of advanced technology need to be prioritized to serve production, particularly in the development of agricultural processing tied to commodity production areas to enhance the value of competitive commodities in the market.

Training human resource

It is essential to pay great attention to the regular training and retraining of the workforce operating in the field of production, business and services in various forms to adapt to the demand for human resources. Simultaneously, paying attention to training managers, entrepreneurs and workers with scientific and technical qualifications is also necessary to meet the actual needs of the District. Besides, systematic training for future generations should be attached much importance, especially the quality of training.

Satisfactory policies to attract economic, scientific and technological cadres, as well as technical workers to return to their homeland are important to building the economy. In addition, it is vital to receive cadres graduating from university, college, and secondary technical schools to supplement communes and cooperatives and to rejuvenate the contingent of cadres engaged in agricultural, forestry, and fishery extension work.

Further, a high focus needs to be on vocational training and job creation tasks including upgrading vocational training centers into district-level vocational schools, effectively serving the task of economic restructuring, and helping employees easily change jobs. The percentage of working time in rural areas aims to increase to 85%. Annual export labor aims at 700 people.

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