

Evaluation of Agricultural Economic Transformation in Ha Dong District, Hanoi City, Vietnam in the Period 1986-2018

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Abstract: In the period of 1986 and 2008, the agricultural economic structure had many changes in production area, plants and animals, position of industries, sectors and regions in Ha Dong District. The scale of agricultural land shifted drastically and reached 959.50 ha, 817.04 ha, 2,803.30 ha and 2,570 ha in 1986, 2002, 2006 and 2008, respectively. The number of agricultural laborers increased from 6,079 to 12,917; 28,280; 36,068 and 36,551 corresponding to 2002, 2003, 2006 and 2008, respectively. The size of the average farming area per farmer decreased gradually from 1,578m² to 685m² between 1986 and 2008. Rice was the main crop in agriculture sector, followed by potato, corn, soybean and vegetables. Moreover, the value of crop production increased gradually from 827 million VND (in 1986) to 49,598 million VND (in 2004) and 96,568 million VND (in 2008). Large numbers of livestock and poultry production have gradually shifted from rudimentary households to well-planned private farms in the suburbs with the application of new production techniques. The aquaculture sector had expanded from 35 ha in 1986 to 173.73 ha in 2008. In general, Ha Dong District had initially succeeded in transforming the agricultural economic structure in the direction of reducing the proportion of the cropping sector while increasing the proportion of livestock, poultry, aquaculture and services. The economic components of private and mixed components with farm models, joint stock companies, and limited companies had developed with an increase in the number of establishments from 5 to 51 between 2000 and 2008. The economic proportion of region 2 was approximately equal to region 1 and region 3 combined in Ha Dong District.

Keywords: Agriculture Economy, Crop Production, Ha Dong District, Private Economy, Transformation

1. Introduction

In the world, the economic crisis in 1973 and the revolution of science and technology posed requirements for changes. Capitalist countries reformed in time, subsequently resolving the crisis and continuing to develop. However, socialist countries adapted lately to the situation such as China (1978) and the Soviet Union in 1985. Because the demand for food has increased quickly, chemical fertilizers, insecticides and mechanical equipment have been developed for agricultural production [1]. The need to focus on the farm-household-level perspective is also motivated by the social demands on the objectives of agricultural policy measures [2]. Poors are often farmers and agricultural transformation can make a new chance for them to raise incomes and reduce malnutrition as well as kick-start the economy. multidimensional, interrelated, and change over

time are the drivers of agricultural change.

Ha Tay Province was re-established based on splitting Ha Son Binh province in 1991 during a renovation process in Vietnam. In this period, Ha Tay province came out of the socio-economic crisis and gradually industrialized through the development of three major economic programs. Ha Tay had 246 restored and developed craft villages and industrial parks with a total area of 8,038 ha up to 2006 [3]. The total economic production reached 17,961.7 billion VND in 2006, more than 4 times larger than that of 1996 [4]. In 1995, the economic structure shifted towards industrialization with the proportion of industry - construction accounting for 25% and increasing to 40.04% in 2006 [5]. Ha Dong town, Hoai Duc, Thach That and Quoc Oai districts contributed much to the shift in Ha Dong district.

The population of Hanoi increased from 2,129,300 people in 1991 [6] to 2,619,100 people in 2008 [7] because of the

economic shift. Per capita income was 600 USD and 834 USD in 1995 and 2007, respectively [8, 9]. The poverty rate decreased from 9.12% to 8.65% between 1995 and 2008 [10]. Education and health programs had many positive changes.

The innovation of development mode has focused on special agricultural products around the world but many tradition models still exist corresponding to not strong competitiveness and advantages [11]. Therefore, the aim of this article is to evaluate the transformation of agricultural sector in Ha Dong district, Ha Noi city in the period of 1986-2018. We focus on variation in land area, labor, investment capital and output value, variation in agricultural sector, variation by the composition and the region.

2. Mythology

Dialectical and historical materialism methodologies of Marxism-Leninism was used for this study. Dialectical materialist methodology was used to study socio-economic structural changes in Ha Dong district (during 1986-2018) based on dialectical relationships between economy and society, its components economic and social composition, as well as the interactions between those parts. The historical materialist methodology was also used to examine changes in the socio-economic structure of Ha Dong district (1986-2018) in specific historical conditions, a specific time and space sequence.

Because the subject had a historical code, the work adhered to two basic methods, the historical method and the logical method. The historical method helps to reliably reproduce the picture of Ha Dong's socio-economic structure from 1986 to 2018 with the space from more than 16 km² to more than 47 km². Through sources and documents, the article clarified that the role and interaction between the economic structure and the social structure of Ha Dong district (1986-2018) remained as it used to be.

The logical method was used to generally study historical events and phenomena related to the transformation of Ha Dong's socio-economic structure (1986-2018). At the same time, this method also delved deeply into the nature of the process, grasping the rules of this process to draw lessons and development trends of socio-economic restructuring in Ha Dong district (1986-2018) objectively and specifically.

3. History of Administrative Boundaries of Ha Dong

The region of Hanoi was reestablished with 4 palaces (Hoai Duc, Ung Hoa, Thuong Tin, Ly Nhan) and Thang Long Citadel by King Nguyen in 1831. In 1902, it was renamed Cau Do province before adapting the name of Ha Dong province and establishing Ha Dong town as the center (December 6, 1904). In 1923, Ha Dong town had an area of 0.5 km², including Ha Van and Ha Cau communes with a population of about 1,000 people.

After the August 1945 Revolution, the administrative boundaries of Ha Dong had many changed. In 1946, the

Vietnamese government merged 9 villages including Van Phuc, Mo Lao, La Khe, Phung Khoang of Hoai Duc district; Van Quan, Ha Tri, Cau Do, Van Phu and Van La of Thanh Oai district into suburban areas of Ha Dong town. On April 21, 1965, Ha Dong province and Son Tay province were merged into Ha Tay province, taking Ha Dong town as the provincial capital.

Since the innovation of socio-economic development, the Vietnamese government adjusted the administrative boundary of Ha Dong town, divided Van Yen commune into two wards, Van Mo and Phuc La (June 23, 1994), transforming Van Phuc and Ha Cau communes into two corresponding wards and merging Yen Nghia Commune of Hoai Duc District, Phu Luong and Phu Lam communes of Thanh Oai district into Ha Dong town. In September 23, 2003, Ha Dong had an area of 33,2755km², which consisted of 7 wards and 5 communes.

In 2008, the entire existing natural and residential land area of Ha Tay Province, Me Linh district of Vinh Phuc province, and four communes (Dong Xuan, Tien Xuan, Yen Binh, Yen Trung) of Luong Son district, Hoa Binh province were merged into the Hanoi capital. After adjusting the administrative boundaries, Hanoi nowadays has a natural area of 3,344.7 km² and a population of 6,232,940 people with 29 administrative units (9 inner city districts, 18 districts and 2 cities under Ha Dong and Son Tay) [12].

4. Result and Discussion

Agriculture was one of three major economic programs (including industry, agriculture and construction) in Ha Dong district. During this period, the tenant policy (1988), the land law (1993) and the cooperatives law went effective (1996). Along with activities of increasing capital investment, applying scientific and technological advances, changing the structure of crops and livestock, and expanding agricultural services, they has transformed the agricultural economic structure in Ha Dong district.

4.1. Variation in Land Area, Labor, Investment Capital and Output Value

Figure 1 indicates the variation in agricultural land in Ha Dong district (1986-2008). Due to urbanization, industrialization and administrative boundary adjustment in 2003 and 2006, the scale of agricultural land changed drastically and reached 959.50ha, 817.04ha, 2,803.30ha and 2,570ha, 20ha in 1986, 2002, 2006 and 2008, respectively [13, 14].

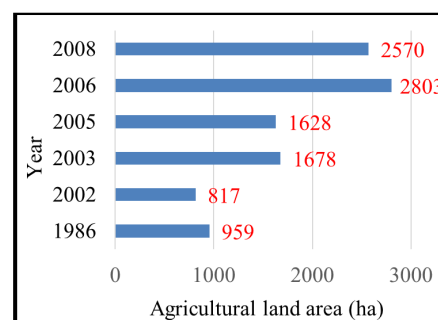


Figure 1. Scale of agricultural land in Ha Dong (1986-2008).

The number of agricultural laborers in Ha Dong district increased due to natural population growth in rural areas and the expansion of administrative boundaries. There were 6,079; 12,917; 28,280; 36,068 and 36,551 laborers corresponding to the years of 2002, 2003, 2006 and 2008 in Ha Dong district. The proportion of agricultural laborers increased from 8.27% to 13.08% in the period of 1986-2002. However, it decreased from 21.13% to 17.67% in the period of 2003-2008 [14, 15]. This decrease was due to the acquisition of agricultural land to serve the process of industrialization and urbanization. As a result, farmers had to change their jobs.

Investment capital for agriculture increased gradually from 176 million VND to 709 million VND and 72,843 million VND corresponding in 1988, 1998 and 2008. However, compared to the total investment capital in Ha Dong, the proportion of agriculture decreased significantly from 22% in 1986 to 11% in 1998, then 6% in 2008 [16-19]. This showed that agriculture was not an advantage to attract investment in Ha Dong district.

The size of the average farming area per farmer decreased gradually from 1,578m² to 685m² between 1986 and 2008 [19-21]. Some localities had concentrated on changing plots and appeared favorable farms to intensive farming. As a result, the value of agricultural output increased from 1.17 million VND/ha (1986) to 20.05 million VND/ha (1995) and 46 million VND/ha (2008) [14, 22, 23]. Therefore, the value of total agricultural output increased accordingly, reaching VND 1,129 million (1986), VND 22,838 million (1996) and VND 214,023 million

(2008) [14, 24, 25]. However, the proportion of agricultural output value in the structure of gross economic product of Ha Dong district gradually decreased from 53.71% (1986) to 9.08% (1996) and 2.13% (2008) [14, 26]. Agriculture production has changed from being the main source of income to a very small one. The effort of agriculture has been reduced due to the increase in industrialization and urbanization. It can be seen that the agricultural economic structure of Ha Dong district (1986-2008) had changed by section, composition and region.

4.2. Variation in Agricultural Sector

Rice was the main crop in agriculture, followed by potatoes, corn, soybeans and vegetables. Flowers and fruits were planted in Ha Dong in 2001 and 2004. The area of rice, potatoes and maize gradually decreased, while the area of vegetables, flowers and fruits increased. Therefore, the value of crop production increased gradually from 827 million VND (1986) to 49,598 million VND (2004) and 96,568 million VND (2008). In the structure of agricultural output values, the crop production sector dominated absolutely, reaching 73.23% (1986) but then gradually decreasing to 45.12% in 2008. The second largest sector was livestock farming [27]. The structure of output values of each crop changed in the direction of reducing the proportion of rice and potatoes and increasing the proportion of vegetables, flowers and fruits. This tendency was the proof for the initial success of crop restructuring in Ha Dong district.

Table 1. Scale of agricultural land in Ha Dong district (1986-2008).

Crop	Area (ha)			Production cost (Million VND)			Scale (%)		
	Year 1986	Year 2004	Year 2008	Year 1986	Year 2004	Year 2008	Year 1986	Year 2004	Year 2008
Total	1,919	3,577	4,117.93	827.0	49,598	96,568	100.00	100.00	100.00
Rice	1,624	2,999	2,629.70	504.9	37,989	44,220	61.55	76.59	45.79
Corn, potatoes	187	107	157.83	248.1	211	1,476	30.00	0.43	1.53
Soybeans	8	38	33.87	16.0	279	1,825	1.65	0.56	1.89
Vegetable	100	376	973.66	58.0	8,574	27,936	6.80	17.29	28.93
Flowers	-	9	227.35	-	1,037	7,454	-	2.09	7.70
Fruits	-	48	95.52	-	1,508	13,494	-	3.04	13.97

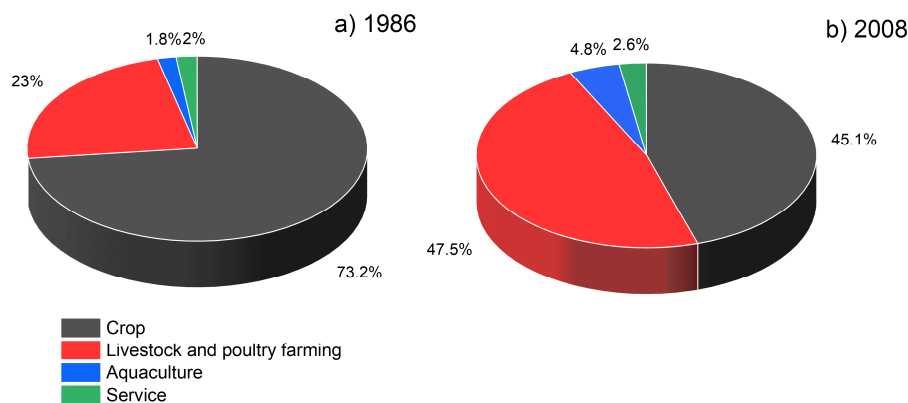


Figure 2. Structure of agricultural output value in Ha Dong district (1986-2008).

Large numbers of livestock and poultry production had gradually shifted from rudimentary households to private farms in the suburbs and applying new production techniques. Pigs, chickens, ducks, buffaloes and cows were the main

livestock on these farms. The value of the livestock production reached 259.67; 8,209 and 101,639 million VND, accounting for 23% (1986); 33.31% (1996) and 47.49% (2008) of agricultural output values [28, 29]. Thus, the proportion of

livestock farming has risen to the first position in the agricultural structure in Ha Dong District.

The aquaculture sector had expanded its area from 35 ha in 1986 to 173.73 ha in 2008 [14]. Previously, the fish farming area was mainly concentrated in old suburbs before moving to the new suburbs after the year of 2003. Natural and small-scale farming has gradually shifted to scientific and technical advances. In addition to traditional fish farming such as carp, snakehead, catfish, tilapia, etc., new breeds of white pomfret, red catfish, and tortoise with high economic values were introduced. The value of fishery output reached 20 million VND, accounting for 1.75% in 1986; 268.4 million VND (1.09%) in 1996 and 10,300 million VND (4.81%) in 2008 [14, 23, 29].

The agricultural service increasingly diversified with trading in plant and pets, fertilizers, pesticides, agricultural machinery, labor services, irrigation, agricultural production processing, field protection, transportation and farmers' markets... However, subsidies had been diminishing since 1988. Consequently, the service role gradually shifted from cooperatives to other economic sectors and became more effective. The output value of the agricultural service reached 22.58 million VND (2%) in 1986 and 5,516 million VND

(2.58%) in 2008 [14, 29].

In summary, Ha Dong district has initially succeeded in transforming the agricultural economic structure in the direction of reducing the proportion of the cropping sector while increasing the proportion of livestock, poultry, aquaculture and services. In general, livestock and poultry has become a strength instead of cultivation, which has been shrinking in production area.

4.3. Variation by the Composition

Agriculture included the state, collective and individual components since the renovation in Ha Dong district in 1995. The state component had 10 production facilities and increased to 23 in 2008. The collective composition had 8 cooperatives (1986) and increased to 12 34 and 34 cooperatives in 1995 and 2006, respectively. The individual components were virtually unchanged. The number of households was 3,545 in 1986 and 20,163 in 2008 [24, 30]. Since 2000, there have been more private and mixed components with farming models, joint stock companies, and limited companies. The number of establishments increased from 5 in 2000 to 51 in 2008 [31].

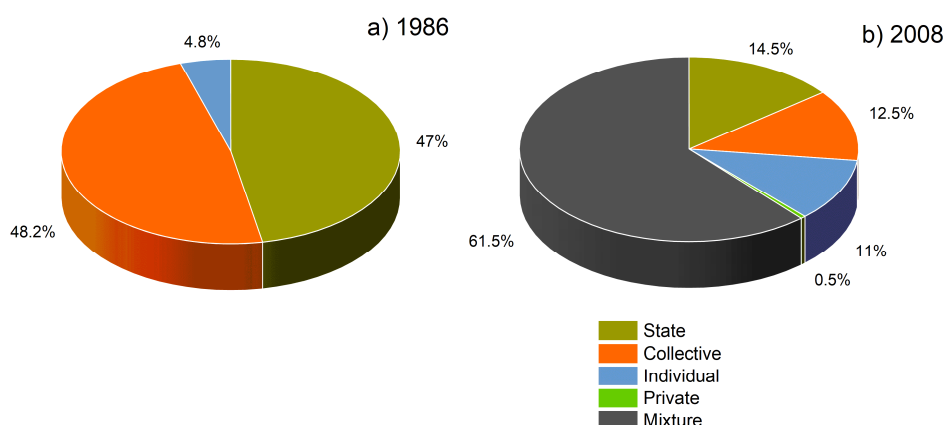


Figure 3. Structure of agricultural output value in Ha Dong district by component (1986-2008).

Agricultural output values reached 1,129; 32,969 and 214,023 million VND in 1986, 2000 and 2008, respectively [14, 24, 32]. Many state-owned enterprises and collectives suffered losses and had to be dissolved or operated in moderation, or converted to other production and business, so the proportion of output value gradually decreased. Meanwhile, the individual, private and mixed economic sectors promote their advantages, so the proportion of output value gradually increases.

4.4. Variation by the Region

Region 1 is the central urban area with agriculture only available in Quang Trung ward, reaching 18.80 ha, accounting for 0.09% of the cultivated area; 22 employees (0.36%) in Ha Dong in 1986 [33]. Due to urbanization, agricultural land had to be acquired, so the agricultural sector was available in region 1 since 2003.

New wards were established in Region 2. As a result, the

agricultural land area shrank rapidly to 1,900.20ha, accounting for 99.01% of the cultivated area and 6,057 employees (99.64%) in 1986 [13]. Until 2008, there were 698.52ha (16.96%) and 5,199 employees (14.22%) [13, 34]. Cattle production gradually decreased due to the replacement of traction power with machines, while pig and poultry production increased due to increased food demand. During this time, many agricultural services were also appeared.

The newly merged communes in Ha Dong appeared in Region 3. Region 3 had 3,668.70ha under cultivation, accounting for 75.86% and 30,440 employees (84.40%) in 2006. The agricultural land area was 3,419.41 ha, accounting for 83.04% and 31,352 employees (85.78%) in 2008 [34]. Here, production followed the direction of farms, accumulates land, specializes and commercial products. Typically, the farm developed fruit trees such as grapefruit, oranges, or vegetables, cattle, poultry and aquatic products.

Table 2. Agricultural economy by region in Ha Dong district (1986-2008).

Region	Production cost (Million VND)			Structure (%)		
	Year 1986	Year 2006	Year 2008	Year 1986	Year 2006	Year 2008
Total	1,129	198,841	214,023	100.00	100.00	100.00
1	4	0	0	0,36	0	0
2	1,125	40,000	30,298	99.64	20.12	14.16
3	-	158,841	183,725	-	79.88	85.84

5. Conclusion

The agricultural economic structure of Ha Dong district (1986-2008) had many changes in production area, plants and animals, position of industries, sectors and regions. The transformation of agriculture was strongly influenced by the process of urbanization and industrialization. In the period of 2009-2018, economic growth was higher than before. The structure of economic output value shifted in the direction of industry - construction. Meanwhile, the agricultural economy still had a negligible proportion. That result showed that industrialization and urbanization had been successful. The economic proportion of region 2 was approximately equal to region 1 and region 3 combined, but tended to decrease gradually.

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