Experience in Rural Labor Restructuring in some Countries Around the World and Reference Lessons for Vietnam

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Abstract---Promote restructuring of rural workers has very important implications in the development of the potentials and strengths of the economy. Vietnam is a country with a starting point from agriculture, a large proportion of GDP. In recent years, although there has been a positive change in transformation, the process is still slow. To have a reasonable labor structure shortly, Vietnam can completely refer to the experience of several countries in the world with similar starting points. The article analyzes lessons learned from rural labor restructuring in some countries around the world, from which to draw reference lessons for Vietnam.

Keywords---labor structure, rural, transformation, Vietnam, world.

Introduction

In recent years, the promotion of industrialization and modernization to implement the market economy and international integration will create a sharp and rapid change in Vietnam’s socio-economy in the direction of socialism. Along with socio-economic change is the process of differences between urban and rural areas, between countries, between places with favorable and developed economic conditions, and places with favorable economic conditions, still face many difficulties (Diao et al., 2019; Liu et al., 2020). That difference has created a “pull-push” force that has a direct impact on the process of labor migration in many regions of Vietnam. However, the process of labor migration has been posing many problems to be solved, including the problem of rural labor structure shift. In the past time, we have not been able to promote the potentials to serve the needs of socio-economic development, because the labor structure of Vietnam still has many shortcomings, the quality of labor is still low, The distribution of labor into sectors and territories is still unreasonable (Truong, 2020). Therefore, in parallel with the implementation of the labor restructuring process, Vietnam needs to consult and learn from experience, as well as apply the successful labor restructuring model in the world into the reality of each country localities in the
country, to create an appropriate labor structure, to meet the requirements of the industrialization and modernization cause, to realize the growth goals and to transform Vietnam’s economic structure in the coming time.

**Experience in restructuring rural labor of some countries in the world**

**South Korea**

Korea has implemented a strategy of concentrating all resources for industrial development and thereby industrial development to accumulate for the economy, thereby serving as a premise for rural infrastructure construction. In this capacity, Korea can not only solve economic problems but also solve social problems. The economic development in the direction of the industry, focusing on export has created conditions to attract a large number of rural laborers to urban areas, basically solve the rural unemployment situation and speed up the process of economic transformation. structure of rural labor (Hung, 2008). To achieve such successes, Korea has implemented a series of specific policies as follows:

*Gradually withdrawing young workers from agriculture:* Korea has implemented a policy to develop human resources in agriculture to improve labor productivity, thereby gradually withdrawing young workers from agriculture. This policy focuses on three major programs: Education and training support; Support family farms and Support agribusiness businesses. The objective of these policies is to protect and support qualified and skilled agribusinesses who can promote productivity and manage to farm effectively and efficiently stable (Ba, 2006).

Over the past 25 years, in Korea, agricultural labor has decreased by an average of 1.9% annually, and the rural population has decreased by an average of 2.7%. It is a fact that more and more people give up farming but still live in the countryside. The process of industrialization in this country has attracted a large number of agricultural workers, especially young workers, leaving their traditional occupations. In 1990 the agricultural labor force in Korea was 16.4% young people, by 1995 it was only 13%. The main reason is that young people find employment opportunities in industry and services (Ba, 2006).

*Rural infrastructure development:* The New Village Movement (Saemaul Undong), a movement to build rural infrastructure with the motto of the state and the people working together, has been successfully deployed in Korea (Ba, 2006). The New Village Movement was born in 1971, to improve and develop rural areas, encouraging internal forces in rural communities, arousing the will to self-reliance, and taking initiative in mastering the lives of farmers people.

The process of rural industrialization based on the development of satellite factories of economic groups is carried out in Korea. This activity is carried out on the principle that urban development will bring sustainable development to rural areas based on connecting resources between the two areas. The investment of resources is focused on building infrastructure, forming small businesses in rural areas, to supply agricultural materials in production. At the same time, stabilizing people’s lives, limiting the creation of conflicts when the labor force moves from agriculture to non-agricultural activities (Ba, 2006). The success of the New Village movement has contributed to narrowing the gap between rural and urban
areas, reducing the poverty rate in rural areas. The household economy develops and can be autonomous in production, turning the backward agricultural production into an advanced one, making the rural labor structure shift towards specialization (Lestari, 2021; Tri et al., 2021).

*Rural labor migration in Korea:* Korea is an Asian country, the starting point in agriculture and rural areas in the 60s of the 20th century has some similarities with Vietnam. In the early years of economic development, the shift of labor from rural to urban areas to find work took place strongly, leading to many shortcomings for the development of Korea. To overcome these inadequacies, the Korean Government has implemented many programs and employment policies, contributing to quickly bringing Korea into the ranks of countries with a high level of development (Nam, 2015). The policies that Korea has adopted include:

- **Creating jobs for rural workers by rural industrialization policy:** Traditional agriculture in Korea is small-scale production, rice is the main crop. Therefore, in addition to the agricultural season, farmers also carry out other non-agricultural income-generating activities to have more income to cover family expenses. In the face of massive rural-urban migration, in the early 1960s, Korea had the policy to encourage the development of these activities to attract leisure workers, including the centralization policy in promoting agricultural product processing activities and local natural resources. The Korean government has supported technical equipment and provided capital for the organization of production in the form of cooperation and non-agricultural job creation activities (Nam, 2015).

- **Supporting the construction of factories in the countryside in the 1970s:** Thanks to the promotion of investment in development, the urban industry reached full employment in terms of scale in the 1970s. Therefore, factories were encouraged to move rural areas to create jobs and create more non-agricultural income for farmers (Nam, 2015). The first rural industrial cluster development project was implemented in 1984 and is the first project in the implementation of the Law on Development of Non-Agricultural Income Sources. Industrial projects in rural areas enjoy preferential tax exemption and reduction for several years and receive preferential financial support from the Government. These projects have made an important contribution to rural economic restructuring and especially to economic restructuring in rural Korea (Nam, 2015).

- **Rural migration reduces population rate, rural labor rate, and agricultural production mechanization policy:** Rapid economic growth, urban-industrial sectors attract a large workforce rural migration to urban areas. In Korea after the 1960s, an increase in rural-urban labor migration flows caused the rural population of Korea to decrease from 15,067,000 people in 1962 to 7,272,000 people in 1988, an average per year. 300,000 people per year (Nam, 2015). The sharp reduction in the number of farming households and the population has changed the structure of the agricultural sector. As families leave the farm, the number of people renting out land for real estate speculation has increased along with the economic downturn, which has increased the number of people working as hired workers or subletting farmland in the countryside (Nam, 2015). Besides, in this period, due to the migration of young workers from rural to urban areas, the rural labor force
is aging and feminized. Many farming and fishing villages are made up of only the elderly, with few male or female workers remaining in agriculture or fishing. The rapid reduction of the labor force causes the average arable land to increase, requiring the agricultural sector to be equipped with modern machinery. Thus, the flow of the labor force from rural to urban areas has directly affected the agricultural situation. Many rural workers migrate to urban areas, leading to the Government having to promote agricultural mechanization policies to compensate for the shortage of rural labor force (Nam, 2015).

China

China is a country with 80% of the population living in rural areas, so it is a country with a large agricultural production. Therefore, the issue of job creation in agriculture and rural areas is of particular interest to China to well implement the country’s modernization process. Rural migration in the 1980s-1990s was very strong, which caused many social problems that arose in both rural and urban China during this period. To overcome the above situation, China has implemented a reform policy in agriculture and restructured the rural economy. Which, focuses on developing rural township enterprises and agricultural industrialization to create jobs to increase incomes for rural workers (Nam, 2015).

Developing non-agricultural activities in rural areas: During the early years of the reform, off-farm activities were encouraged, especially in the township enterprises in China. The 90s witnessed the breaking of cottage fences, creating a movement to develop township enterprises with a large consumer market (Nam, 2015). These are enterprises established by the governments of villages and rural towns, operating in the industrial field, in addition, in the fields of agriculture, commerce, transportation, and construction. It can be seen that during the early period of reform and opening up, the Xiang town enterprises were one of the most dynamic sectors of the Chinese economy and experienced very rapid growth especially in the imperial years (1985-1995) (Ba, 2006).

Thanks to the strong development of non-agricultural activities, rural workers have many opportunities to access jobs, thereby rapidly shifting the labor structure in rural areas (Nam, 2015), in the period 1978 - 2002, the number of employees in agricultural activities gradually decreased, replaced by non-agricultural activities increased. Promote the diversification of livelihood activities and jobs, create a shift in the rural labor structure towards industrialization and modernization.

Agricultural production: In the context of the transition to a market economy and international economic integration, China’s agriculture itself must also innovate to adapt and resolve the inherent contradictions between small-scale production of farmers and changes in agricultural production. rapid and unpredictable changes of the market economy. Through several experimental activities, China introduced a policy of "agricultural industrialization" to solve and find out problems for agricultural and rural development (Tran & Van Vu, 2019; Mergenthaler et al., 2009). Agricultural industrialization in China is understood as the organization of a combination of farmers with companies or households with collectives, farmers,
and other economic organizations to conduct production linkages, combine between agriculture - industry, and commerce, connecting the stages into a chain. Agricultural industrialization in China includes the following five basic characteristics (Nam, 2015).

- Unification of trades, organic linkages between pre-production, in-production, and post-production agricultural sectors; realize the unification of the direction of trade, processing, and processing of agricultural commodities, linking many smallholder farmers with large markets, linking advanced industry and traditional agriculture, connecting production stages. production - processing - transportation - consumption of agricultural products and goods into a chain to promote and coordinate development (Nam, 2015).
- Specializing in chain stages from production to consumption to improve economic efficiency and overall efficiency of industrialization.
- Commodity, goods made to serve exchange on the market, taking the market as the final destination.
- Enterprise governance, using industrial-style enterprise management measures to manage agriculture, thereby making the way of production dispersed, small farmers gradually come into standardization, organization of standards scientifically consume agricultural products to maximize profits for farmers (Nam, 2015).
- Socialize services, promote the close combination of production factors, provide comprehensive services for all stages in the industrialization chain (Nam, 2015). In a short time, the policy of agricultural industrialization has brought important achievements in creating jobs and increasing incomes for rural workers in China.

**Thailand**

Thailand is a country that comes up from agriculture, development conditions are relatively similar to Vietnam. In the past 20 years, Thailand has developed according to a sustainable model, paying attention to developing both agricultural and non-agricultural sectors, without accelerating the process of labor shift from rural areas (Petrongolo & Ronchi, 2020; Tassier & Menczer, 2008) to urban areas, from the agricultural sector to the non-agricultural sector to develop industries that employ skilled and technically qualified workers.

In recent years, Thailand has paid great attention to developing non-agricultural occupations in rural areas to create local jobs, attract workers from rural areas to urban areas, and reduce population pressure in the rural areas. In big cities like Bangkok, the population size has reached nearly 15 million people (Le, 2011). To develop non-agricultural occupations in rural areas, Thailand has key measures to support training and provide preferential loans for farmers to open new occupations. Encourage the development of small and medium-sized enterprises in rural areas to create local jobs for laborers in agricultural and rural areas. Implement training and vocational training programs for rural youth to start their businesses and find suitable jobs.

Organizing to bring industry to the countryside to create jobs for redundant
laborers in the agricultural sector through preferential policies, support for infrastructure investment, and tax reduction for investment projects (Nguyen & Warr, 2020; Zhang et al., 2004). The Thai government has issued specific policies and measures to ensure credit for rural areas by establishing a rural credit system, gradually helping farmers to access formal credit. Regulations commercial banks have to set aside 14% of deposits for loans to the agricultural sector. Agricultural Banks apply interest rates to farmers according to the average cost pricing method. Since 1987, the Government has applied the regime of using rice as collateral to help farmers get loans with preferential interest rates (Hanh, 2009). Arrange to develop industrial parks and factories in labor-intensive industries, agro-fishery processing industry, and mechanical industry in rural areas, especially remote mountainous areas to balance development among regions.

Japan

Japan was the first country to industrialize in Asia, which began in the late nineteenth century and accelerated in the first half of the twentieth century. Japan carried out industrialization and modernization from a traditional, self-sufficient, fragmented production with small-scale farming households (average 0.5ha) and quickly became an economic power. 2nd largest economy in the world with advanced agriculture and industry. Up to now, the proportion of the agricultural sector in Japan’s GDP structure accounts for less than 1.5%, the proportion of agricultural laborers is about 3% (Long, 2013). To create jobs and attract labor from the agricultural sector to the non-agricultural sector, Japan promotes the development of industrial parks, starting from the development of the mechanical industry to serve agricultural production. From the mechanical engineering industry to manufacture agricultural machines with a capacity of 4-10 horsepower, Japan expanded to develop other mechanical industries, notably the industries serving the production of automobiles, machinery, and equipment, attract many laborers from agriculture and rural areas.

The organizational model of developing industrial facilities to create jobs for workers in rural areas of Japan is remarkable. The model is organized into 3 levels, closely related to each other, including large factories located in urban centers and industrial zones, small and medium enterprises scattered in towns of the province. In rural areas, household-scale industrial establishments and production groups in rural areas sign contracts with level 1 and 2 enterprises to process some simple machine parts, with no technical requirements. high. Through this model, Japan has created jobs for a lot of laborers in the agricultural and rural areas in the 1950s and 1960s. It not only limits the process of labor migration from rural to urban areas (Tesfatsion, 2001; Nguyen et al., 2019). Through this policy, people will feel secure to work in local production, increase household income, and contribute to the socio-economic construction of the country.

Some reference lessons for Vietnam

Regarding rural economic restructuring and job creation

China’s policy of developing agricultural industrialization is an example of promoting the positivity of urban-rural connectivity, industry-agriculture, and
production-market. In particular, it is necessary to have the "leaders" connect the stages of the production process, connect small farmers to link production-consumption, combine production-processing-consumption, connect different stages of production into a secure chain associated with the interests, rights, and responsibilities of the participating actors, thereby contributing to the development of production, creating more jobs, increasing incomes, and ensuring the lives of farmers’ villages. This is a lesson for Vietnam to study, learn and apply flexibly following the specific conditions of each locality (Nam, 2015).

Korea’s experience in promoting the program of agricultural and rural industrialization to increase people’s income shows that the inevitable result of implementing this solution is due to the gap in living, income integration between rural and urban areas (Nam, 2015). To overcome the above consequences, right from the 1970s, the Korean government had a program of non-farm income for farmers. This program is associated with the implementation of the strategy of agricultural and rural industrialization of Korea. With a roadmap consisting of specific stages and supporting policies of the Government that were implemented until the end of the 1980s and had an impact on the decline of Korean agriculture and rural areas due to the impact of the industrial sector, industrialization and rural-urban migration. If in the years 1977-1978, the average income of rural and urban households was nearly equal, in 1988, the income of urban households was nearly 1.5 times higher than that of urban households of rural households. It seems that Korea has kept this important gap to a reasonable extent, has well overcome the inequality of income between urban and rural areas. This is an important lesson for Vietnam to learn in the implementation of labor and employment policies, rationally shifting the rural labor structure, reducing the gap and gap between rich and poor between rural areas and urban areas (Nam, 2015).

Regarding labor rearrangement and management of migrant workers

Experience from other countries shows that they all recognize the role of migration in the country's economic development and respect the freedom of movement of workers. The management role of state agencies on migration is determined appropriately to direct migration flows to serve the cause of industrialization. Some countries have moved from efforts to stem migration flows to integrating migration policy with regional development (Tuan, 2010). Experience in dealing with the situation of young technical workers moving to cities in Korea shows that, in the context of increasing rural-urban migration flows, rural areas lose human resources young, healthy, high-productivity workers, affecting agricultural production, Korea’s rural mechanization program has timely supported agriculture with tools and machines. However, this also leads to increased income and agricultural life, affecting the income and life of non-migrant rural people. In our country, in the current conditions, not only mechanization, but also increasing the application of modern scientific and technological advances, technical advances of the green revolution, and biotechnology in rural areas is a must. The problem is significant for overcoming the current shortage of young, skilled workers leaving rural areas (Nam, 2015).
The management of labor migration in the direction of developing a unified labor market, eliminating the distinction between urban labor and migrant workers is a basic and decisive condition for labor migration to integrate into the country social life in the destination city. However, in terms of state management of labor migration, there is a need for an agency to take on this responsibility to promptly address many emerging problems of migrant workers and become policy loopholes, the rural poor, the urban poor, and the migrant poor are treated differently. However, the policy implication for labor migration here is that it is not simply a matter of “work and living” as more and more people from the younger generation join the migrant workforce to urban areas and they will be more aware of their citizenship rights as well as their right to access social services such as education, health care, and social security (Ba, 2006).

Experiences of other countries show that the policies that governments have applied to create more off-farm jobs and encourage restructuring of rural labor focus on issues such as (i) Accelerating economic growth. strengthen management policies on labor migration, impact and create restructuring of rural labor; (ii) Increase investment in labor-intensive projects; (iii) Strengthening the provision of credit for non-agricultural activities to encourage increased processing of agricultural products and agribusiness at the household scale, small and medium-sized enterprises; (iv) Allocation of investment capital, credit, technology transfer and training aimed at improving the productivity of traditional agricultural systems; (v) In the situation that rural-urban migration is too “hot”, the experience of most countries shows that it is possible to regulate migration flows through rural development, industry, and rural services. Creating more jobs is an effective solution instead of using administrative measures (Nam, 2015).

Conclusion

The experience of labor restructuring in some countries around the world shows that labor restructuring requires close coordination with changes in science, technology, technology, finance, and policies. develop resources. Labor restructuring facilitates a reasonable redistribution of the labor force among territories, between occupations and economic sectors, facilitates workers to choose suitable occupations, increases their employment opportunities, and increases their employment opportunities job search and income enhancement. Asia Pacific countries have learned many valuable lessons about job creation through labor restructuring, typically in Japan in the early 1960s, the phenomenon of rural underemployment was terminated and there was essentially no unemployment in the whole territory. Thailand, a developing agricultural country with many similarities with Vietnam, has always maintained an unemployment rate of 1% in 2016 (Hang, 2014). With the experience of labor restructuring of some of the above countries, Vietnam can completely apply the typical models that these countries have applied because there are similarities. The starting point is the agricultural countries in Asia.
References


