

Government SOCIALIST REPUBLIC OF VIETNAM
Independence-Freedom-Happiness

Hanoi, 2 March 1993

DECISION

On the reorganisation and renewal of management in state enterprises in the agriculture sector.

(issued together with the corresponding Government Decision dated 2 March 1993).

REORGANISATION OF STATE ENTERPRISES IN THE AGRICULTURE SECTOR

Article 1.

State enterprises in the agriculture sector comprise the following kinds of units:

- state-owned production and service units within the fields of agriculture, forestry, marine production and water conservancy;
- state enterprises;
- production units within agriculture, forestry, and fishery managed by the state.

These units are to be managed under the general guidance of the state and in accordance with market principles. The units themselves are economically accountable and are responsible for the funds made available to them;

Article 2.

The reorganisation of the state enterprises in the agriculture sector is to be carried out in the following way;

a) Enterprises which produce important goods or goods for export in special export zones, enterprises closely connected to processing units, enterprises which are operating with good economic results or are able to earn funds and develop well are to be re-registered according to Decision 388-HDBT and continue to develop in accordance with their ability.

Enterprises which still have low economic results but have an important position both in the economic and the social fields in the region and are judged able to overcome the constraints to more effective production are to be re-registered according to Decision 388-HDBT.

b) Ineffective enterprises operating with loss, unable to renew and develop, are to be dissolved according to the general regulation of the state. The enterprises are to make an inventory of their funds and their land and retain them in accordance with regulations in effect. They are also to fulfil all other formalities such as return their land to the local authorities for subsequent allocation to households on a long-term basis.

c) The responsibility for management of most state enterprises in the agriculture sector now managed by the Centre is to be decentralised to the localities. Only certain large-scale enterprises connected to processing industries, producing goods for export or being responsible for research and genetics are to remain under central management.

d) Enterprises performing technical services such as irrigation, seedling production, and breeding of domestic animals are to be re-registered according to existing regulations for such enterprises. They are to be assisted by the state with funds and by provision of favourable operating conditions. They should be able to diversify in order to increase their earnings and the salaries to their staff. Irrigation enterprises should reorganise so that they get a simple but effective management. They have to function along the entire course of a river, and must thus avoid the mechanic division according to administrative boundaries. They should also increase the effectiveness of the irrigation systems and improve the way they are used.

e) Enterprises which have both a production role and a role in national defence and security in special areas will obtain special directives.

Article 3.

After reorganisation and re-registration according to Decision 388-HDBT, the state enterprises in the agriculture sector have to pay attention to renewal and strengthening of the relations between them and the productive areas, such as:

a) In addition to their production duty, they should actively contribute to the establishment of a suitable general environment for production in the areas concerned, for example by providing technical services, supplying materials, processing and selling goods, creating basic facilities, thus contributing to socio-economic development in the entire area.

b) In areas with projects for fixed cultivation and sedentarisation, projects for planting long-term industrial crops or forests, and projects for cultivation of marine

products in new economic zones, the state enterprises in the agriculture sector should continue their operations. In these cases, the enterprises may be given the duty to carry out the projects, provide technical services, establish infrastructure, and organise manpower for the projects.

RENEWAL OF THE INTERNAL MANAGEMENT OF ENTERPRISES

Article 4.

The state enterprises in the agriculture sector are to renew their internal management so as to enhance the potential of the enterprises, of the workers, and of neighbouring farmers. The enterprises should focus on technical services and on processing and sales of goods, so as to establish favourable conditions for growing and profitable production in the area.

- a) The enterprises have to readjust their production structure in response to market requirements and the specific strengths of the enterprise. They are to transfer production activities related to land, water bodies, plants, and animals directly to individual households (workers of the enterprises as well as neighbouring farmers). This provision also covers land which is no longer needed for military purposes.
- b) State enterprises in the agriculture sector have to make an inventory and report in detail on the land-use situation in their areas to the responsible authority. Land which is unused or inefficiently used should be transferred to the local authorities for subsequent allocation to local farmers.
- c) Agricultural land belonging to the enterprises is to be rented on a contract basis for long-term use to employees of the enterprise. The enterprises are to provide services. The contracts are to be based on certain standards for costs and results of production. The contract holders have the right freely to dispose of any excess production over and above such standards.

Concerning plantations of long-term crops and the raising of domestic animals for which breeding on a collective basis is not promising, the following alternative forms of management should be considered:

- Contracting for services;
- Renting the facilities to the households;
- Sales of tree gardens and animals to workers and farming households.

The form of management which is most effective should be

chosen, so that the funds are generated which can be used to reclaim additional land for cultivation. The ministries in charge of the sectors concerned should immediately prepare instructions for experimental sales of tree gardens and animals to workers and farmer households. Payment can be made either in full or by instalments. In order to avoid losses, the sale of tree gardens and animals should be carried out step by step and be based on public, democratic, and correct price setting under the supervision of concerned state organisations. The Ministries of Agriculture and Food Industry, Forestry, and Finance, and the State Price Committee should guide the operation closely and submit a report to the Government on results gained by the end of 1993.

d) For processing facilities, several forms of contracting could be considered. One example could be to base the contracts on turn-over, combined with quantity and quality of the products. There should be a close connection between the economic result of the enterprise and wages and bonuses to the contract holder. Enterprises processing raw materials from surrounding areas should create a close connection to the local households producing the raw materials. They would be responsible for sustained development of raw material areas which can ensure profits for both the enterprises and the households producing the raw materials.

e) For basic construction, transport, repair and maintenance operations commercial activities, etc., potential bidders can be invited to present proposals for the undertaking. Alternatively, the contract conditions could be based on the turn-over realised in the undertaking.

f) Service enterprises should establish contracts suitable for each enterprise. Contracting could be for all the services initially carried out by the enterprise or for a part of them. The results of the work by the contract holders should have a direct influence on their role and rights in relation to the enterprises.

Article 5.

The management staff of the state agriculture enterprises should be reduced. Each enterprise should have a director, 1-2 vice directors, a chief accountant, and a few professional assistants.

The management staff of a large enterprise with working groups or production workshops would in addition have a group leader or a workshop manager, and also an additional accountant.

The enterprises director is responsible for creating favourable conditions for the party organisation in the enterprise in order to increase the role of the party in all

activities of the enterprise, especially in selection, training and upgrading of enterprise staff so as to enable them to manage their enterprises according to the new market-oriented principles.

IMPLEMENTATION

Article 6.

This decision is to applied to all state enterprises in the agriculture sector belonging to ministries and local authorities,

Ministers, heads of ministerial organisations, and heads of other government organisations are to issue guidelines for the implementation of this decision.

Prime Minister

Vo Van Kiet

Government SOCIALIST REPUBLIC OF VIETNAM
No. 12-CP Independence-Freedom-Happiness

Hanoi, 2 March 1993

GOVERNMENT REGULATION ON REORGANISATION AND RENEWAL OF MANAGEMENT OF STATE ENTERPRISES IN THE AGRICULTURE SECTOR

- Based on the law on Government Organisation, issued 30 September 1992;

- In order to enhance the role and increase the contribution to the national economy of state enterprises in the agriculture sector;

- In accordance with a proposal by the ministers of Agriculture and Food Industry, Forestry, Marine Products, and Water Conservancy.

REGULATION

Article 1. This Government Regulation is issued together with a Decision on reorganisation and renewal of the management of state enterprises in the agriculture sector.

Article 2. Ministers, heads of ministerial organisations, heads of Governmental organisations, chairmen of provincial and city People's Committees are responsible for the implementation of this regulation.

Article 3. This regulation is in effect from the day of its

signature. All previous decisions contrary to this regulation are hereby abrogated.

Prime Minister

Vo Van Kiet