

A FIELD STUDY ON ECONOMIC ACTIVITIES OF VILLAGERS AND VENDORS RELATING TO INDIGENOUS MARKET FUNCTIONS IN THE CENTRAL HIGHLANDS OF VIETNAM

~A Case of Hong Ha Commune, A Luoi District, Thua Thien Hue Province~

Minoru MATSUNOSHITA

Key Words: Central Vietnam, Market function, Motorbike Vendor (MBV), Local commodity, Retail shop

1. BACKGROUND AND PURPOSE

In the world of development assistance, there is a tendency to focus on construction of infrastructure. Moreover, it has been reported that projects which emphasize infrastructure without understanding realities of the site end in failure. Also, an emphasis on infrastructure can be seen in the project related to markets for enhancing local industry and household economies. For example, a marketplace constructed at the initiative of government and aid organizations is left unused because they did not capture the local needs and situations. In Hong Ha commune, a grouping of mountainous villages located 45km to the southwest of Hue City in Central Vietnam, interest in markets has risen in recent years. However, it is still unclear why a market did not develop in the commune, whether market functions exist in the commune or not, and how the commune economic situations should be developed. Previous studies in this area have not given enough explanation for these questions. Therefore, this study was conducted aiming at catching the reality of economic activities of villagers in the commune and vendors visiting from outside of the commune for discussing local empowerment assistance in relation to markets.

2. STAKEHOLDERS TAKING ON MARKET FUNCTIONS IN THE COMMUNE

(1) Small businesses by shop in the commune

46 households (17% of all households) in the commune run small businesses such as a general retail store, eating place, or motorbike repair shop. Over several years, the number of ethnic minorities who started such businesses has increased in addition to Kinh villagers (the dominant ethnic group in Vietnam). It is concluded that retail of dairy necessities is convenient enough. Moreover, some shops play a role of selling local commodities to outside traders.

(2) Motorbike vendors (MBVs)

It was confirmed that more than 20 vendors visited the commune by motorbike to sell fresh foods, snacks, clothes, and dairy commodities. Among them, there are 7 MBVs dealing with fresh food, and they sell 60 types of food items, such as vegetables, meats, and seafood almost everyday at comparatively cheap prices. They permit villager customers to charge accounts, make orders, and barter exchanges. It seemed that the relationship between MBVs and villagers is close.

(3) Farmers

18 interviewed farm households had experiences of selling 45 types of local products besides the main income sources like cassava. These commodities are sold to outside traders, village shops, and MBVs, although the selling situations differ from each hamlet. It was confirmed that some of the products are highly demanded by consumers in urban area. Meanwhile, purchases and sales among villagers did not seem to occur frequently, but the “ask and give custom” has been established.

3. LESSONS LEARNED FROM THE STUDY

This study suggests that market functions exist in Hong Ha commune in spite of the absence of a marketplace, and these functions play a key role for villagers' livelihoods and economic activities. The observed market functions are 1) A retail function for inbound commodities by small businesses and MBVs, 2) A shipment function for local products by small businesses, MBVs, villagers, and outside traders, and 3) An inside exchange function for local products by the “asking and giving custom”, eating places, and villagers. It seems to be significant for improvement of household economies to enhance those indigenous market functions. This study shows the importance of using local potential with careful field understanding.