

TECHNICAL REPORT ON THE PROGRESS OF PROJECT
***"Policy and Measures to promote ICT Application and Deployment
for Business Development in Rural Areas in Vietnam"***

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Institution: Ministry of Science and Technology

Country: Vietnam

Grant Recipient: Ministry of Science and Technology of Vietnam

Project Leader: Ms. Vu Thi Thanh Huong – Ministry of Science and Technology of Vietnam

Research team: The project team so far consists of the following persons (their involvement depends on different work packages). They are from Grant Recipient institution, some government organizations, non-government organizations, provinces, ICT training centres, universities and enterprises.

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Duration of Project: 20 months (from July 2004 to December 2005).

Total Grant Ceiling: SGD50,570.00

Date of presentation to PAN-ASIA: December, 2004

Synthesis

In Vietnam, nearly 75 % of the population are living in rural areas. Developing agriculture and rural economy is one of the most important orientations of the Vietnamese Government. ICT has been creating not only opportunities but challenges to business in rural areas to narrow the gap between different regions, realize gender equality and the advancement of women to promote sustainable growth and poverty reduction.

One of the major measures of the Vietnamese Government to promote step by step the development of the rural areas is to improve the legal framework, mechanisms and policies with a view to create favorable conditions and offering high preferences for ICT application and development in rural areas.

The project aims at investigating factors of mechanisms, policy environment and major measures and their influences on the acceptance and application of ICT in business rural areas.

To a certain degree, the project will investigate problems and difficulties faced by grassroot business such as organizations, SMEs and households in rural or backward areas in dealing with the shift to new mode of economic activity and life.

As outcomes, a number of conclusions and recommendations for policy-making process will be drawn for governments, authorities and business managers to promote ICT application and development in business in rural areas. As such, the project will have a bottom up approach in trying to send a signal from below to the policy makers and get the response from the governments to the need of the people and business communities, especially in rural areas, contribute to the Revolution on "speeding up industrialization and modernization of agriculture and rural areas".

According to the grant agreement, the project has the following objectives:

General Objective: The general objective of the project is to contribute to the process of creating the conducive policy environment for acceptance, development and application of ICT in rural areas of Vietnam, especially for business development.

Specific Objectives:

- To conduct a general assessment of policy environment, including gaps between existing policy environment and the required need in ICT application and development in business in rural areas;
- To assess the readiness of the business and point out the real problems and difficulties faced by grassroots business in ICT application and development for business development in rural areas;
- To suggest recommendations to the central government, ministries, local authorities and also to the business managers on policies and measures to promote ICT application and development in business in rural areas.

Research issues:

The project has following elements as research issues:

- The role of IT in business activities in rural areas.
- existing status of legal infrastructure related to ICT application and development in rural areas
- the role and relationship of various government departments with regard to ICT application and development in rural areas
- Readiness of business in rural areas for IT application and deployment: willingness, capacity, problems, difficulties...
- required policy environment and measures for ICT application and development in rural areas
- gaps between the current policy environment and the required one.
- lessons and recommendations to policy makers in central and local governmental organizations, authorities and also to the business managers on policy and measures to promote ICT application and development in business in rural areas.

Research activities and methodology to date (December, 2004):

The grant agreement has been signed at the end of July, 2004 and the first payment from PANASIA has been transferred to the bank account of the Office of Ministry of Science and Technology of Vietnam at the end of

September, 2004. In general, the project is following almost the same pathway as planned.

To date, four activities of the project have been carrying on:

1. Inception workshop about ICTs Application and Development in Vietnam (some issues at stake), especially for business development in rural areas.

The workshop was organized in December 2, 2004.

More than 70 participants in this workshop were the ICT experts, researchers, policy makers, officers from some ministries, government organizations, non-government organizations, ICT providers with software, hardware and services, ICT training centres and universities and SMEs and households from traditional villages in the Red River Delta and in the Northern of Vietnam.

2. Assessment of the current State Policies and Strategies on ICTs Application and Development in Vietnam, especially for business development in rural areas in Vietnam.

The work package have been carrying on by a Consultant Group under the Research Services Agreement dated November 2, 2004 and this work package will be completed by June, 2005. The Group consists of 9 officers and senior researchers from IT Office, Centre for Regional Research and Development, High - Technology Department, Department for Science and Technology, IT Strategies - Ministry of Post and Telecommunication, Software Technology Centre, Department for Science and Technology of Danang City, Office of the National Steering Committee for IT - Ministry of Post and Telecommunication.

- study policies and legal documents on ICT in Vietnam and related policy documents, strategies, measures for ICT application and development in rural areas.
- carry out an inventory of all goals (explicit and implicit), expectations, plans, strategies... related to ICT application and development in rural areas.
- interview officials from about 10 related governmental agencies and ministries and 15 local authorities to identify and understand different visions, tendencies and biases in ICT application and development in rural areas.

- organize a seminar to discuss the status of policy environment in relation to ICT application and development in rural areas
- producing a report on the status of policy environment.

The works have been carrying for 2 months and the report of this work package will be completed at the end of January, 2005.

3. Foreign experiences in ICTs Application and Development in rural areas.

The work package have been carrying on by a Consultant Group under the Research Services Agreement dated November 2, 2004. The Group consists of 8 officers and researcher and senior researchers from IT Office, Centre for Regional Research and Development, High - Technology Department, Office of the National Steering Committee for Information Technology - Ministry of Posts and Telematics, Natural Sciences, Technology and Environment Department, Central Committee for Science and Education, EC and IT Department – Ministry of Trade.

- collect and study policy documents, strategies, measures for ICT application and development in rural areas of some countries such as Thailand, China, Canada, Singapore...)
- produce the report on lessons and experiences that Vietnam can learn.
- organize a seminar to introduce the study results.

The works have been carrying for 2 months and the report of this work package will be completed at the end of January, 2005.

4. Conduct a national survey of business enterprises in the rural areas to assess their role and impacts of ICT on their business development, their needs, readiness, difficulties, impacts of the policy environment for ICT application development in business.

The work package have been carrying on by a Consultant Group under the Research Services Agreement dated December 2, 2004. This work package will be completed in June, 2005.

The Group consists of 18 officers, researcher, senior researchers from IT Office, Centre for Regional Research and Development, High - Technology Department, Office of the National Steering Committee for Information Technology of Ministry of Posts and Telematics, Natural Sciences,

Technology and Environment Department of Central Committee for Science and Education, EC and IT Department of Ministry of Trade, representative of some companies.

The Group have to carry on the mission:

1. Sampling Survey:

- Identify research population
- Developing survey tool and questionnaire:
- Using the survey tools to do a pilot survey of 15 firms and revise the survey tools if needed;
- Training interviewers;
- Conduct the survey in full scale;
- Processing the survey data, analysis and writing survey report:

2. Conduct 15 in-depth case studies of selected enterprises:

- select 5 cases for each region: Northern, Central and Southern;
- develop framework for case studies;
- interview and study related materials of the enterprises;
- produce the report of case studies.

3. Produce the National Survey Report based on the sampling and in-depth surveys.

4. Organize a seminar to present the survey results.

This period is the first stage of the project. The research results and findings of the on-going activities will be reported in the next technical report as soon as the reports of activities are available.