



COLLOQUIUM REFLECTION

VIETNAM'S ECONOMIC GROWTH THROUGH RUBBER AND COFFEE

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In their book *How the World Became Rich: The Historical Origins of Economic Growth*, authors Mark Koyama and Jared Rubin indicate that some colonial powers did invest in their colonies, albeit with the main intention of exploitation and natural resource extraction. This statement is particularly relevant when analyzing the impact of colonialism on the investment in their colonies' public infrastructure with a convincing example of railroads. Despite the controversy surrounding this idea, it offers insight into the rapid economic growth experienced by numerous countries in the 20th century as they attempted to 'catch up' with developed nations after gaining independence. This idea can help explain Vietnam's economic growth in the last 50 years. Despite having been colonized by the French for over 60 years and briefly under Japanese rule before taking part in the devastating Vietnam War for two decades, Vietnam's economy has experienced significant growth since General Charles Rigault de Genouilly's fleet arrived in Da Nang in 1858. In this essay, I examine the positive yet controversial impacts of French colonialism on Vietnam's modern economy in agriculture by first providing a brief overview of the modern Vietnamese economy and then focusing on the public goods Vietnam inherited from the French including rubber and coffee.

First, it is crucial to assess the status of the modern Vietnamese economy. According to the World Bank (n.d.), Vietnam is deemed “a development success story” by transforming from “one of the world’s poorest nations to a middle-income economy in one generation.” Indeed, Vietnam has seen dramatic economic and social development in the past few decades: between 2002 and 2022, Vietnam’s GDP per capita increased 3.6 times; poverty rates declined from 14 in 2010 to 3.8 percent in 2020; infant mortality rates fell from 32.6 per 1,000 live births in 1993 to 16.7 in 2020; life expectancy rose from 70.5 to 75.5 years between 1990 and 2020; Vietnam’s universal health coverage index is higher than regional and global average with 87 percent of the population covered by the national health insurance scheme (The World Bank, n.d.). More importantly, Vietnam’s role in agriculture has become more significant as the country relies heavily on exporting goods. It is crucial to acknowledge that among the top ten Vietnamese agricultural exports, green coffee occupies the second position, coffee extract takes the eighth position, whereas various forms of natural rubber claim the fifth place (Nguyen, 2023). Notably, none of these agricultural products are native to Vietnam.

When it comes to the impact of French colonialism, rubber plantations stand out as a complicated example that resonates with Koyama and Rubin’s idea. Despite the extremely harsh exploitation of workers on plantations, it is hard to imagine a prosperous modern Vietnam without rubber. Due to the high demand for rubber in the early 20th century, countries in the Southeast Asian area were forced to supply more

than 90% of the world's rubber since the trees were not plagued with a disease called South American Leaf Blight like those grown in Brazil (Christiansen, 2019). Realizing that the climate in the highlands of southern Vietnam offered ideal conditions for rubber trees, French officials established plantations in the south and Central Highlands of Vietnam with an estimated output of more than 60,000 metric tons of rubber annually by the end of World War II (Christiansen, 2019). Such rapid expansion required many laborers to work in cruel conditions. This infamous Vietnamese poem encapsulates the cruelty of working conditions in rubber plantations: "Cao su đi dễ khó về / Khi đi trai tráng, khi về bủng beo," which can be indirectly translated as "Oh it's easy to go to the rubber and hard to return / Men leave their corpses, women depart as ghosts." This is reflected by the high death rate for rubber plantation workers, which was estimated between 12% - 47% mostly due to malaria and lack of medical treatment in the plantations (Christiansen, 2019).

However, as Koyama and Rubin note: "It is important to emphasize that the colonial experience was highly heterogeneous" and colonialism also "brought some economic benefits, even in those places that remain relatively poor today" (119-120). Indeed, *Hevea Brasiliensis* (or rubber tree) is not native to Vietnam but is mostly found in the Amazon region of South America (Forest Governance and Policy, n.d.). It was first introduced to Vietnam by the French in "1897, mainly in the southeastern provinces such as Dong Nai, Binh Duong, Binh Phuoc, and Tay Ninh" (Viego Global JSC, 2022) and took off to become a significant commodity in the modern

economy of Vietnam today. According to Rubber & Tyre Vietnam (n.d.), “Vietnam currently ranks third in the world in the production and export of natural rubber, with the average yield of rubber plantations currently leading the world.” Consequently, in 2018, jobs were provided to more than 81,000 employees, including more than 25,000 ethnic people, with an average salary of 6.1 million (compared to the average of 7 million VND per person per month), which is an acceptable income for those living in rural areas (Rubber & Tyre Vietnam, n.d.).

A similar story can also be drawn from the history of the Vietnamese coffee industry. However, this positive outcome is the result of missionaries rather than colonialism, per se. As Koyama and Rubin put it, this emphasizes “the various other things that missionaries did to achieve their conversion goals, many of which had unintended long-run economic effects” (123). Initially, due to their affinity for coffee consumption, the French colonists introduced coffee to Vietnam in 1857 (Nhan 2001, as cited in Vaughn 2009) and “seized land from the indigenous population and cleared forests to establish coffee plantations” (Doutriaux et al. 2008, as cited in Vaughn 2009). However, due to labor shortages, coffee production did not take off during French colonial rule, but until late 1986 when Vietnam’s infamous Đổi Mới reform policy was implemented, which resulted in “a combination of factors including policy shifts, labor disputes, a coup d’etat, and environmental catastrophes [...] to secure Vietnam’s dominance within the coffee market” (Vaughn 2009). Consequently, having started commercial coffee cultivation in the late 1970s, Vietnam became the world’s second-largest coffee

producer (after Brazil) by 2000. According to Summers (2014), Vietnamese coffee production “grew by 20%-30% every year in the 1990s. The industry now employs about 2.6 million people, with beans grown on half a million smallholdings of two to three acres each”. Additionally, “Vietnam is responsible for more than half of the global robusta supply [...] and it plays an increasingly vital role in efforts to rescue coffee from the effects of climate change” (Tan & Nguyen, 2023).

To conclude, Vietnam’s economic growth, especially in agriculture, can be partially explained by Koyama and Rubin’s theory on the positive impacts of colonialism on public infrastructure. In this case, French investment in rubber and coffee plantations that were left behind in Vietnam after independence have contributed to Vietnam's economy and its culture. This is by no means negating the detrimental consequences of French colonization, nor is it refuting the catastrophic impact on Indigenous people and ethnic groups in Vietnam in the process of creating the coffee and rubber industries. As Koyama and Rubin conclude in the book, context, culture, and institutional history intertwine and impact one another, resulting in different outcomes for different countries. Consequently, “knowing what did work and why it worked matters precisely because it allows us to build a cumulative body of knowledge. This, in turn, helps provide a framework for understanding what economic policies are likely to succeed” (224).

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