The Textile Industry in Vietnam and Tanzania

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Introduction and Background

It makes sense to analyse developments in Tanzania and Vietnam on the same platform, as, in addition to sharing not too dissimilar political ideologies in the past, the economic performances of the two countries have been lateral inversions of one another in the last 40 or so years and have also been underpinned by the same agricultural foundations for significant periods in this time (Figure 15.1). Political ideologies in the two countries have over time defined principles and drivers of economic growth as well as the organizational structure of production. Agriculture in the two countries has largely been defined with an emphasis on inverted subsidiarity of value chains, with the state afforded heightened prominence not only in policy prescriptions but also in their operationalization. For over 50 years, agriculture in the two countries has been organized with clear distinctions of cash and food crops, for trade and consumption purposes respectively. In the years of their post-independence from their erstwhile European masters (1961 for Tanzania and 1945 for Vietnam), the two countries’ economic structures have also been shaped by light-duty industrial manufacturing aimed primarily at adding value to their agricultural produce and in the process reducing their reliance on processed imports of intermediate and other consumables. Effective production in the two countries has nonetheless remained labour-intensive, even since the advent of the technological age. The availability of natural fibres, notably cotton (through either domestic cultivation or importation), and low-cost surplus labour have provided excellent bases for the development of textile industries in both Tanzania and Vietnam.
The textile industry in Tanzania takes its roots in the cotton ginning industry in the early 1950s, when g内衣 were introduced in rural areas where cotton was grown, especially in Mwanza and Shinyanga regions of the country (Ladha, 2000). Under the import substitution policy of its first-phase, post-independence government, significant investments were made in support of the sector, which grew large enough to meet the country’s domestic textile and garment demand between 1960 and the early-1980s. At its peak in 1980, Tanzania’s textile industry employed about 37,000 people (25% of the working force) and contributed 25% of GDP in the manufacturing sector (TIB, 1996). By the early 1980s, Tanzania had a total investment of 500 million USD in the textile sector, with the government accounting for over 70% of all investment. Commentators have traced sector performance to the establishment of the Tanganyika Lint and Seed Marketing Board in 19561 with the primary focus to market and sell Tanzanian cotton. The gross production value of cotton rose from 48 million USD in 1961 to more than 112 million USD in 19662 (FAOSTAT, 2012).

Sources:

1 Prior to 1956, Tanzanian cotton was marketed by the Uganda Lint Marketing Board.

Figure 15.1  Per capita gross domestic products: Tanzania and Vietnam.