Defying economic logic? Why smallholder rice farming remains adaptive in Vietnam

Vietnam’s economic transformation since market reforms began in the late 1980s has been celebrated. Rural communities of the communist nation’s 6,000km² Red River Delta in the north around the capital, Hanoi, were once stalked by famine; now they are citizens of a middle-income country. Given this transformation, Vietnam’s traditional smallholder rice farming is something of a puzzle: such peasant-style toil barely pays, better opportunities abound, and every economic incentive apparently impels land consolidation. Why, then, does smallholding even near cities show no sign of going away?

A richly woven recent study** answers that question for three subtly different communities 25 to 40km from Hanoi – exactly the kind of urban fringes where smallholder rice farms should be under pressure. The study combined over 100 interviews with surveys, statistical data and document analysis.

The three 400–800ha communes support 8,000–12,000 people each. Some two-thirds of the land remains in smallholdings. Although rice delivers only a fraction of their income, almost no-one studied was selling up. The researchers found a subsistence mindset still inflected thinking amidst vibrant transformation, but not illogically so. Interviews revealed savvy farmers alive to the economic “irrationalities” and opportunity costs of smallholdings, not clinging romantically to history.

Once wider factors were considered, smallholdings’ persistence made sense as an adaptive pivot between past, present and future. Historically and culturally, millennia-old traditions hold that the north should grow rice – Asia’s staple and a metaphor for life itself. Ecologically, the north suits “wet” rice farming – think wading in year-round paddies. Moreover, wet land is tricky to convert and, left idle, degrades. Bureaucratically, 1980s–90s land reforms reversed collectivisation as households had sunk into extreme poverty, but even during collectivisation farmers had been defiantly individualising.

Present-day bureaucracy still binds people to smallholdings. Partly to push national self-sufficiency in rice, the state forbids transforming official “rice land” to other crops, let alone permanent conversion. Intriguingly, many owners studied were doing other jobs, but holding on to rice land and subsidising others to farm it, to preserve rights to the land. Almost all nevertheless aspired for their children to be educated and enjoy better opportunities, and the young have little desire to farm.

Modernising smallholding operations to take advantage of new opportunities, is risky even for under-35-year-olds who are best-positioned to do so. Parents also envisaged returning children needing resort to the land. Thus smallholder farms are kept not as an appealing livelihood, but as security. Amidst globalisation, place-based rice cultivation hedges against an uncertain future; it enables transformation rather than constraining it.

This close-up study concludes that Vietnam’s smooth-sounding transition does not straightforwardly follow Western economic logic from pre-capitalist to capitalist. In Vietnam and Asia generally, a peasant subsistence mentality of smallholder rice farming, or at least ownership, might survive alongside modernisation of non-agrarian sectors. We may see more “economic transition without agrarian transition or, even, deagrarianisation without depeasantisation”.