

## **Economic Relationship Between Vietnam with the Ussr Period 1975 - 1985**



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**ABSTRACT:** The Socialist Republic of Vietnam Party's foreign policy at this time is based on the premise of maintaining and enhancing economic ties with the Soviet Union while also taking into account solidarity and complete cooperation. Vietnam has considerably benefited from economic ties with the Soviet Union in its efforts to recover from the war's scars and to develop both economically and spiritually. The "golden age" between Vietnam and the Soviet Union's economic ties can be stated to have been from 1975 to 1985.

**KEYWORDS:** economic relations, Vietnam – Soviet Union, 1975 – 1985

### **1. INTRODUCTION**

Coaxial connections from late 1978 served as the foundation for Vietnam's economic relations with the Soviet Union from 1975 to 1985. The Socialist Republic of Vietnam and the Union of Soviet Socialist Republics signed the Treaty of Friendship and Cooperation on November 3, 1978. The Soviet Union and Vietnam's extensive economic collaboration has culminated in this. The treaty not only serves as a cornerstone in the construction of the legal framework for relations between Vietnam and the Soviet Union, but it also serves as a crucial lever to further strengthen, consolidate, and develop that relationship in its entirety, strengthening the friendship, assistance, and cooperation between the two nations.

### **2. OVERVIEW AND RESEARCH METHODS**

#### **A literature review**

Numerous researchers have focused their attention on the study of economic ties between Vietnam and the Soviet Union. F.P. Izaev and A.X. Chernshep wrote the *history of ties between Vietnam and the Soviet Union from 1917 to 1985 (1986)*, Soviet international relations publish; *the book Soviet-Vietnamese friendship and comprehensive cooperation (1988)*, Truth publish, Hanoi; and *Bui Huy Khoat, Economic Relations of Vietnam - Russia: Current Situation and Prospects (1995)*, Science and Society Publish, Hanoi. Yet, the association has not yet been fully explored in studying economic relationship between Soviet and Vietnam.

#### **Research Methods**

The article uses historical, logical, synthesis, statistical, and analytical methods of research to explain the economic ties between Vietnam and the Soviet Union between 1975 and 1985.

### **3. RESEARCH RESULTS**

#### **3.1. Economic relations between Vietnam and the Soviet Union in the period of 1975 - 1985**

The relationship between Vietnam and the Soviet Union entered a new stage in 1978 as a result of their Treaty of Friendship and Cooperation. The key aspect of this time was how thoroughly their partnership had grown throughout the world. in a variety of areas, including the coordination of foreign policy between the two governments and the two communist parties and the development of mutually beneficial commercial and trade relations.

#### **\*In the industrial field**

With the full support of capital and technical equipment from the Soviet Union, by 1985, Vietnam had built nearly 300 industrial facilities in almost all fields such as energy, mining, petroleum, construction materials, chemicals, machine manufacturing, consumer goods industry, as well as works serving industries such as irrigation, processing agricultural products and goods... Among the industrial projects are built with the full capital and equipment of the Soviet Union during this period, there were many key projects of heavy industry, typically: Thang Long Bridge was started construction in 1979, completed and completed in 1985 with full traffic. When Hoa Binh hydropower project was completed in 1985, it would produce about 8.4 billion kilowatts of electricity annually, more than twice the electricity output of all power plants in the North at that time. [3, p.84].

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Tri An Hydropower Plant with capacity of 440,000 kilowatts, Pha Lai Thermal Power Plant with capacity of 640,000 kilowatts, Go Dam Diesel Engine Factory, Bim Son Cement Factory with a capacity of 1.2 million tons/year, Factory Dap Cau glassware with a capacity of 2.38 million m<sup>2</sup>/year, Ha Lam coal mine, Cao Son coal mine, Mong Duong coal mine... The Soviet Union also launched projects to support Vietnam in processing goods in the industrial sector of light products for domestic consumption and export, such as lending 1.5 billion rubles to Vietnam to implement plans to process 9.5 million garments and 67.5 million hats and shoes... The first job investment in construction of works with equipment entirely from the Soviet Union has brought great changes to Vietnam's industry, the production capacity of a number of industries, especially heavy industry, has increased rapidly. The process of building and operating industrial works is also the process of training professional workers, developing production forces, and forming a contingent of Vietnamese industrial workers.

In the period 1975-1985, 10 years after the unification of the country, with the technical and financial help of the Soviet Union, a series of key projects of the economy were built, of which the most prominent ones were: Thang Long Bridge, Pha Lai Thermal Power Plant, Hoa Binh Hydropower Plant on the Da River, Bim Son Cement Factory, Ho Chi Minh Museum, Vietnam - Soviet Friendship Cultural Palace, Atomic Research Institute Da Lat, Vietsovetro Petroleum Joint Venture Enterprise... The works that the Soviet Union helped Vietnam to build were vital, extremely important to the Vietnamese economy not only at that time, but also for many years later, helping Vietnam to build a key infrastructure, creating a transition from an outdated agricultural economy to an economy approaching industrialization.

### **\*In the field of agriculture**

Since 1976, on the basis of reimbursement, the Soviet Union has helped equip 60 state-owned farms in Vietnam, including 25 tea farms, 6 coffee farms, 17 banana farms and 12 tangerine farms... In the years 1981-1985, the assistance of the Soviet Union in the agricultural sector in Vietnam expanded both in quantity and in quality. For example, the two countries have begun to cooperate in the production of natural rubber in Vietnam: they plan to exploit 70,000 hectares and plant 50,000 hectares of new rubber trees. They started cooperation in the field of cotton cultivation (planting 25,000 hectares of cotton and organizing two state-owned farms for experimental seedlings). The Soviet Union continued to increase tea and coffee production: building 5 tea factories with a capacity of 42 tons of tea leaves/day, providing technical assistance to grow 20,000 hectares of coffee and preliminarily processing coffee. [1, p.19].

In January 1985, according to the Agreement on cooperation in fruit and vegetable production, the Soviet Union lent 240 million rubles with an interest rate of 3% annually, including 90 million to build 17 factories and 150 million to import materials and goods. production and processing services. The completion of that work will enable Vietnam to export to the Soviet Union 929 thousand tons of fresh and processed vegetables and fruits worth 320 million rubles [8, p.450]. The Soviet Union received necessary products that could not be purchased in other member states of the Council for Mutual Economic Assistance (other than citrus in Cuba) and had to be purchased with dollars from Western capitalist countries and developing countries. . Vietnam has the ability to increase its export potential and the basis to meet the people's requirements for consumer products. The two sides have reached an agreement on long-term and large-scale cooperation in the production of vegetables, fruits and natural rubber [5, p.24].

In terms of economy and complete equipment: In addition to the equipment and supplies along the trade route such as nitrogen fertilizers, pesticides, veterinary drugs, tractors, agricultural machinery, transportation and spare parts, the agricultural industry has received obtained loans to carry out a number of complete equipment works and cooperate in production such as: completing 42 state-owned farms for export crops in the North (32 million rubles), co-production of 20,000 hectares of coffee. (40 million rubles), construction and equipment for 45 maintenance and warranty stations (5 million rubles), equipping two cotton seed farms, two cotton research testing farms, a cotton mill (10 million rubles), equipping the Institute of Mechanized Tools and the center for testing agricultural machines (2.7 million rubles), equipping for Dong Giao mechanical worker school (1.6 million rubles), additional equipment for Agricultural University I (4 million rubles) [7, p.8].

The bilateral cooperation between us and the Soviet Union in agriculture has developed comprehensively, including many forms from low to high, affecting many fields and gradually coming to the implementation of bilateral cooperation projects. Both parties benefit and are interested in economics and science and technology. The cooperation results are very significant, we have completed the Dong Giao Mechanical Workers School, are promoting the coffee cooperation project, the scientific and technical projects have been carried out in a orderly manner, the warranty stations , maintenance is basically completed.

### **\*In the field of trade and services**

In the third five-year plan (1981-1985) based on the results of the coordination of the national economic plan between the two countries and the long-term agreement on the exchange of goods between the two countries for this period, the Import and export turnover between the two countries increased by 1.8 times compared to the previous five years (1976-1980), of which exports increased 2.8 times. In the period of 1981-1985, the exchange under the Trade Agreement reached a turnover of 5400 million rubles (1985 price) [2, p.10]. During this period, Vietnam's total export turnover was 2800 million rubles, of which with the Soviet Union reached 1200 million rubles (an increase of 5 million rubles compared to the period 1976-1980), accounting for 42.9% of total exports. The total import turnover of the country in these five years was 7700 million rubles, of which with the Soviet Union it

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reached 3700 million rubles (an increase of 1700 million rubles compared to the period 1976-1981), accounting for 48.1% of the total import turnover. [4, p.1-2].

Regarding the main export items of Vietnam to the Soviet Union in the period of 1981-1986, there were many items that increased significantly compared to the period of 1976-1981 such as rubber, tea, coffee, peanuts, woolen carpets, sedge goods, etc. In terms of the structure of Vietnam's exports to the Soviet Union during this period, the group of agricultural and forestry products increased significantly in quantity, reaching 219 million rubles, accounting for 25% of the total structure; handicrafts and light industry dominate in the total structure of exports to the Soviet Union with a total of 950 million rubles, accounting for 72% of the total structure, the rest are items of the group of heavy industrial goods and minerals with a total value of 950 million rubles. 25 million rubles, accounting for 2.8% [4, p.8].

Regarding Vietnam's main imports from the Soviet Union in the 1981-1986 period, most of the items increased compared to the 1976-1981 period, such as petroleum products, cotton fiber, iron and steel, and all equipment. In addition, other items such as trucks, wood of all kinds, pesticides... Regarding the structure of Vietnam's imports from the Soviet Union in this period, the group of raw materials accounted for the largest proportion with total reached 2775 million rubles, accounting for 75% of the total structure of imports from the Soviet Union; followed by items in the group of machinery and equipment with a total of 481 million rubles, accounting for 13%, the rest were consumer goods with 444 million rubles, accounting for 12% [4, p.10].

In the past 10 years, we have exported to the Soviet Union about 1.9 billion rubles at current prices (2.1 billion rubles at 1985 prices), of which 1976-1980 exported 700 million and 1981-1985 exported about 1.2 billion rubles. billion rubles, up 17%; imported about 5.2 billion rubles at current prices, excluding all equipment (about 7.2 billion rubles at 1985 prices), of which 1976-1980 imported about 1.5 billion rubles and 1981-1985 about 3.7 billion, an increase of about 24% in value [6, p.355]. The Soviet Union occupies an extremely important position in Vietnam's foreign trade, in the years 1981-1985, it accounted for 52% of the total turnover, 48% of the export turnover and 63% of the import turnover of our country. many important items, goods imported from the Soviet Union accounted for almost 100%. Goods imported from the Soviet Union contributed significantly to helping us overcome difficulties in our life and production.

### 3.2. Comment

The breadth, scope, and content of the economic ties between our nation and the Soviet Union continued to grow and diversify during the course of the ten-year period from 1975 to 1985. Particularly, the Soviet Union concentrated on attempting to assist Vietnam in the construction of numerous significant projects in nearly all economic sectors, the maintenance of the rate of commodities circulation between the two nations, and the emergence of numerous new forms of cooperation. History demonstrates the importance of deepening comprehensive cooperation with the Soviet Union for the future of the Vietnamese revolution given the challenging circumstances of being encircled by Western nations, under embargo, and experiencing deteriorating economic connections with China. With the assistance of the Soviet Union, we have guaranteed from 60 to 100 percent of the domestic demand for raw materials, fuel, materials and the most important equipment, has initially created some production capacity in the country. Many key economic sectors, contributing to meeting the urgent needs of the economy and forming an initial physical and technical basis of socialism, creating jobs for millions of workers, improve the economic structure and rapidly increase export turnover.

However, if we look more deeply, we will see that, besides the basic positive aspects, the economic relations between Vietnam and the Soviet Union during this period also contained many uncertainties. Because the relationship was built and developed in the spirit of cooperation and friendship, helping is the key, the Soviet Union not only provided aid to Vietnam, but also won many priorities and price preferences for Vietnam. The exchange of goods is carried out mainly according to protocols without paying attention to building direct partnerships between businesses, which has led to unpredictable consequences, not only for Vietnam but also for Vietnam. even the Soviet Union. The collaboration between enterprises and manufacturing facilities is not taken into consideration while conducting cooperation programs in line with the decrees signed between the two governments, so the export and import of goods is done in compliance with the law. orders from the top down, giving little consideration to actual demands, resulting in waste and a misperception of each other's goods, have very serious repercussions, especially for Vietnam. In the fields of industry, agriculture, transportation, and the post office, numerous types of materials, machines, and economic facilities constructed using Soviet technology have been ineffective.

Notwithstanding its drawbacks, the years 1975–1985 saw the most brilliant growth in economic relations thanks to the successes brought about by the relationship between Vietnam and the Soviet Union. Soviet Union and Vietnam.

## 4. CONCLUSION

We can state that the Soviet Union's extensive support for the cause of establishing and defending socialism in Vietnam is an event that has been documented in history books after reviewing the Vietnam-Soviet economic cooperation relations during the years 1975–1985. The Soviet Union has provided Vietnam with genuine, good-will-derived incentives that have contributed to Vietnam's socioeconomic progress throughout this time, which serve as a partial reflection of the superiority of the socialist international division of labor.

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