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INCOME INEQUALITY IN VIETNAM: STATUS AND POLICY (2010-
2020)

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ABSTRACT :

Inequality has attracted the attention of economists, politicians, sociologists, and policy makers. However, income inequality being under a comparative regional perspective has not received sufficient attention, especially in the context of developing countries and emerging economies likes Vietnam. Based on the dataset of results of the Vietnam Household Living Standards Survey from 2010 to 2020 (VHLSS) published by the General Statistics Office (GSO), this study was aimed to analyze, evaluate and discuss dynamics and reality of income inequality of Vietnamese people regarding to the perspective of regional comparison ; urban - rural ; rich - poor in 10 years period 2010-2020. Income inequality was measured by the Gini coefficient, the income gap coefficient and the 40WB standard. Research results showed that the income is increasing day by day in Vietnam, while income inequality has been notably widespread among regions, areas and population classes as well as a raising trend, especially in rural and underdeveloped areas. However, its has illustrated a deminishment in urban areas and developed economic zones. This situation urgently requires the government to take more effective actions and policies in an effort to alleviate and restrict the negative impact of inequality that supporting a more sustainable and equal society.

ABBREVIATIONS

NCACC : North Central and Central Coast
MKD : Mekong Delta
RRD : Red River Delta
SE : South East
NMAM : Northern Midlands and Mountains
GDP: Gross Domestic Product

GSO: General Statistics Office of Vietnam

ILO: *International Labour Organization*

OECD : Organisation for Economic Co-operation and Development

OXFAM : Oxford Committee for Famine Relief

VHLSS : Vietnam Household Living Standard Survey

WB: World Bank

INTRODUCTION

In the development process of a country, income inequality has been considered an inevitable and objective social phenomenon. Income inequality is at the heart of social inequality in which it is measured by income and wealth among individuals and groups in societies or across countries. Increasing inequality leads to unequal sharing of mobility and social mobility opportunities, increasing and deepening social problems¹; decline in social trust, institutional trust, affecting the country's sustainable development (Cornia & Court, 2001 ; Phong, 2015 ; Tùng & Giải, 2020). Therefore, this is a problem which has been concerned and resolved particularly by many countries including Vietnam.

Over the past 30 years, Vietnam has maintained its status as one of the fastest developing economies in the world and made remarkable achievements in the poverty reduction. Since Doi Moi in 1986, Vietnam entered an impressive period of economic growth with an average rate of 7.40% per year (1990-2008) (WB, 2015), while its slowed down at a rate of 6.63% per year in (2010-2020) (GSO, 2020). Economic achievements have created a driving force for the development of the country in all aspects in which the most obvious is an increase in income, expenditure and a visible improvement of living standards of a majority of population over time. However, this process also has resulted in more widespread and profound income inequality, disparity in living standards, the gap between rich and poor, and social stratification becoming more pronounced among most social groups, areas, regions of the country. This means that many facing challenges have still existed that the government and stakeholders need to work on.

Inequality has received much research attention from economists, sociologists, politicians, and policy makers in the world, but researching in income inequality in developing countries has not been studied thoroughly, especially in Vietnam yet. Hence, studying income inequality and learning from international experiences are essential to understand the methods to share the benefits of economic growth, mobility and social mobility among populations that these help to make appropriate policies to sharing prosperity and stepping forward to a brighter future for everyone in developing countries. It is not only meaningful in theoretical practice, but also in practical guiding value and profound humanity.

LITERATURE REVIEW

Inequality has become a topic of common concern in Vietnam and around the world (WB, 2014 : 37) that recently seems its continuity has still preserved. Accordingly, it was stated that inequality played a significant role to reduce

social and political coherences – the ability of a society to make collective decisions in peaceful conditions (Alesina & Roberto, 1996). Moreover, the situation has been even worsen when the factor of limited and impeded social mobility were combined with a rising inequality at an unfavorable limit that this has contributed to instability (Demombynes & Berk, 2005). Another aspect, inequality also can distract social trust and hinder efforts to cooperative manage and solve common problems of the community, especially towards to public service delivery.

Although income, poverty and social mobility are considered different concepts that they has been co-related in-depth. In it, social mobility was understood to perform the changes in social position/status over time of an individual, household or social group that can be adopted by a generation, even sustained by inter-generation (Burke, 2015 ; 2016). Look at it carefully, the factors of income, occupation, and employment are pivotal aspects which have been mentioned regularly when researching mentioned social mobility (OXFAM, 2018). There were international experience addressing that countries within high income and occupational mobility tended to dominate low poverty rates (GOVUK, 2015). Social mobility has become a measure of equality of reflecting opportunities transformed into socio-economic outcomes including in 17 sustainable development goals set by the United Nations for the period 2015-2030. There are 5 goals have been seen closely related to social mobility regarding to²: (1) poverty eradication, (4) high-quality education, (5) gender equality, (8) economic growth and development, (10) reduction of inequality. Vietnam has been witnessed a high growth while income inequality reached “modestly”. This is recognized the most general conclusion when comparing income inequality in Vietnam with some countries in the world. However, Vietnam's long-term growth achieved a fairly equal and approached "prosperity sharing" continuously since the 90's in that specifically the World Bank has used the 40WB standard as well as a method to measure prosperity sharing. According to this measure, Vietnam was recorded possitive results - the income of the poorest at about 40% of the population increased by 8.9% per year exceeding 7.0% of 60% of richest population (1993-2012). Accordingly, over the past 20 years, the index of increase in income inequality in Vietnam has been remained low within a modest rate compared to other fast-growing economies in Asia (WB, 2014 : 40-41).

RESEARCH METHODOLOGY

Data And Sample.

The data used in this sutdy was exploited from the VHLSS's dataset over last 10 years (2010-2020) by GSO and other relevant secondary data from several last researches. VHLSS has been conducted a survey only in even years over provinces and centrally controlled cities (Giãi, 2017) with a sample size at about approximately 47,000 households³ representing 6 regions, urban and rural areas, 63 provinces and 5 municipalities⁴. VHLSS 's data is collected in 4 periods by

interviews that each quarter interviewers directly have interviewed the head of the household, household members and the key officers of the commune in where the survey was chosen⁵.

Research Instruments.

In term of measuring and assessing income inequality in Vietnam in the period of 2010-2020, the study simultaneously applied the Gini coefficient measure, the income gap coefficient/rich-poor disparity coefficient ; the 40WB standard (Hung, 2020 ; Hãng, 2019). (1) the income gap coefficient. This coefficient was calculated by a division of the ratio between the highest income held by 20% of the population (the rich group - group 5) and 20% of the lowest (the poor group - group 1). Specifically, in the results a higher coefficient index showcased a higher inequality, and vice versa. (2) the 40WB standard. This standard was initiated by the World Bank in which the ratio was formulated by the lowest income held by 40% of the population in the society divided the total income of the entire population. This ratio was categorized into 3 levels: low inequality (above 17%), moderate inequality (from 12% to 17%) and high inequality (less than 12%) (Hãng, 2019). (3) Gini coefficient. As known as Lorenz coefficient⁶, it is named after the Italian statistician Corrado Gini (1884-1965), is the most commonly used to measuring income inequality or income distribution. Gini coefficient was considered a non-negative number ($0 \leq G \leq 1$) that the smaller the coefficient has seen the greater the equality in the distribution and the larger the coefficient had the smaller the equality in the distribution in contrast (Dorfman, 1979 ; Milanovic, 1997 ; TuyétNhi, 2019 ; Park & Kim,2021). According to the general convention as above-mentioned, the norm of inequality coefficient was set as follows (see Table 1) :

Table 1. Gini coefficient of income inequality

$0 \leq G \leq 1$	Gini levels
Gini = 0	Perfect equality
Gini = 1	Perfect inequality
Gini < 0,4	Low inequality
Gini = 0,4; 0,5	Medium inequality
Gini > 0,5	High inequality

Source: Dorfman (1979); Milanovic (1997); TuyétNhi (2019); Park & Kim (2021)

Approach.

The regional approach (socio-economic region) has contributed to identify and analyze the dynamics, status and trends of income inequality in Vietnam in terms of a regional comparative vision. The region is a part of the national territory included in a number of provinces and centrally controlled cities where they have been facilitated to enhance relatively independent socio-economic

activities under being influenced by the division of social labor of the whole country. Moreover, this has served the strategic planning and socio-economic development planning of a country as well as to participate in a mean of managing the socio-economic development processes to a bigger territory of the country compared with a normal specific administrative area. Based on these criteria, Vietnam has managed 6 regions including Northern Midlands and Mountains (NMAM), Red River Delta (RRD), North Central and Central Coast (NCACC), South East (SE), Mekong Delta (MKD) and Highlands (Giài, 2018 ; 2019).

RESEARCH RESULTS

The Dynamics And Reality Of Income Inequality In Vietnam 2010-2020

Regional Income Inequality

Over a decade (2010-2020), Vietnam's economy has been recorded a continuous growth impressively reaching an average rate of 6.63% per year at about 1.3 times higher than that many Southeast Asian countries (GSO, 2019 & GSO, 2020). However, Vietnam's GDP in 2020 achieved at about 2.91%, the lowest level of the period of 2010-2020. There is a actual reason for this seeing the context of complicated developments of the Covid-19 epidemic. Although this has impacted negatively on all of socio-economic fields globally, Vietnam has still successfully approached a group of the highest growth rate in the world (GSO, 2020). As a result, these socio-economic achievements have spreaded to all classes of people in society that the most obvious recognition of people's income is continuously increasing.

According to the results of Table 2 over 10 years, people's income has increased significantly in which its speed and different traits between regions were notably divergent. In 2020, the average income of the whole country will reach 4.249 million VND/month, at about 3.1 times higher than in its 2010 reaching an average annual increase by 0.51 times.

Table 2. Average monthly income by regions in Vietnam (2010-2020) (million vnd⁷)

Year	Vietnam	RRD	NMAM	NCACC	Highlands	SE	MKD
2010	1.3871	1.5804	0.9046	1.0180	1.0879	2.3043	1.2472
2012	1.9998	2.3506	1.2584	1.5052	1.6433	3.1728	1.7967
2014	2.6373	3.2649	1.6134	1.9823	2.0085	4.1249	2.3268
2016	3.0976	3.8833	1.9626	2.3576	2.3659	4.6617	2.7766
2018	3.8738	4.7750	2.4522	3.0138	2.8945	5.7922	3.5852
2020	4,249.0	5,085.0	2,745.0	3,403.0	2,814.0	6,025.0	3,873.0

Source: GSO (2010; 2012; 2014; 2016; 2018; 2020)

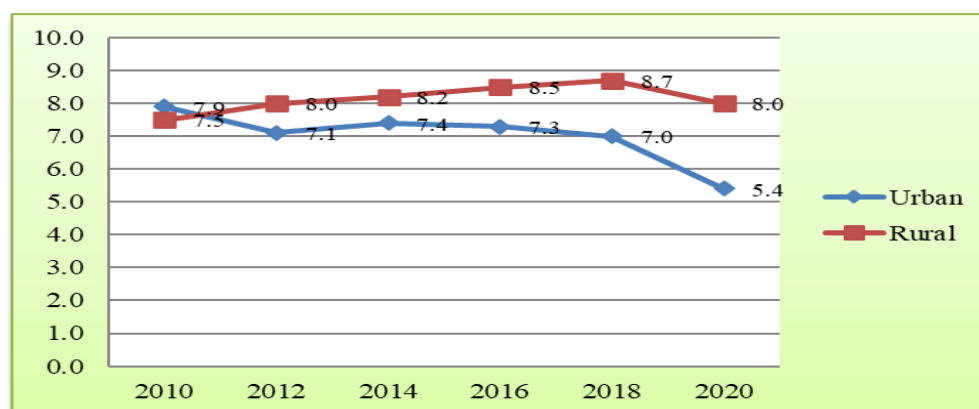
In terms of self-comparisons to the 2020 income with 2010 in each regions, recently the average income in SE was the highest compared to other regions in Vietnam, on average at 2.6 times higher than 2010, especially about 1.5 times higher than the whole country (4.3468 millions vnd compared to 2.8741 million vnd). Others recorded that the RRD was 3,489.8 millions vnd, 3.2 times higher than in 2010 ; NCACC : 2.2133 millions vnd, by 3.3 times ; Highlands : 2.1357 millions vnd, by 2.6 times ; MKD : 2.6009 millions vnd, by 3.1 times ; and NMAM : 1.8227 million vnd which was the lowest, by 3.0 times higher respectedly compared to 2010 (see Table 2).

Urban - Rural And Rich – Poor Income Inequality

In the context of rising incomes towards to citizen in the whole country, all of them in urban and rural areas, whom the social status of the rich and the poor recalled, have seen their incomes improved continuously overt times. However, the wealth was inequal seeing the levels of their achieved income have been differential and attributed into different income groups in a region, even in-between. In its, an average income of an inhabitant in urban areas accessed almost 4.1 million vnd per month, by 2.6 times higher (5.6 millions vnd in 2020 compared to 2.1 million vnd in 2010), upto 0.43 times annually. While the rural area reached only 2.3 million, by 3.2 times higher (3.5 millions vnd in 2020 compared to 1.1 million vnd in 2010), an increase of 0.53 times annually. Thus, based on information released by GSO (2010-2020), the income gap was nearly twice in these areas in a comparison, at about 1.78 times.

In terms of the income gap coefficient method, the rich-poor gap of the highest and lowest income in two groups illustrated a slowly narrowed before 2018 and a sharp decrease dued to the impact of the Covid-19 epidemic in which 7.0 and 8.7 times in 2018 withdrew to 5.4 and 8.0 times in 2020, took only 2 years. Moreover, in urban areas, the narrowed gap was clarified by a significant plummet in the high-income group while the low-income intended to raise. Additionally, in rural areas, the income gap was varied by a slight rising movement over times from 7.5 times in 2010 to 8.0 times in 2020 that the income gap was reduced the most during 2018-2020 as above-mentioned. Generally, the expression of reducing the income gap in rural areas was further behind its in urban areas. (see Figure 1).

Figure 1. Urban-rural income gap coefficient 2010-2020 (times)

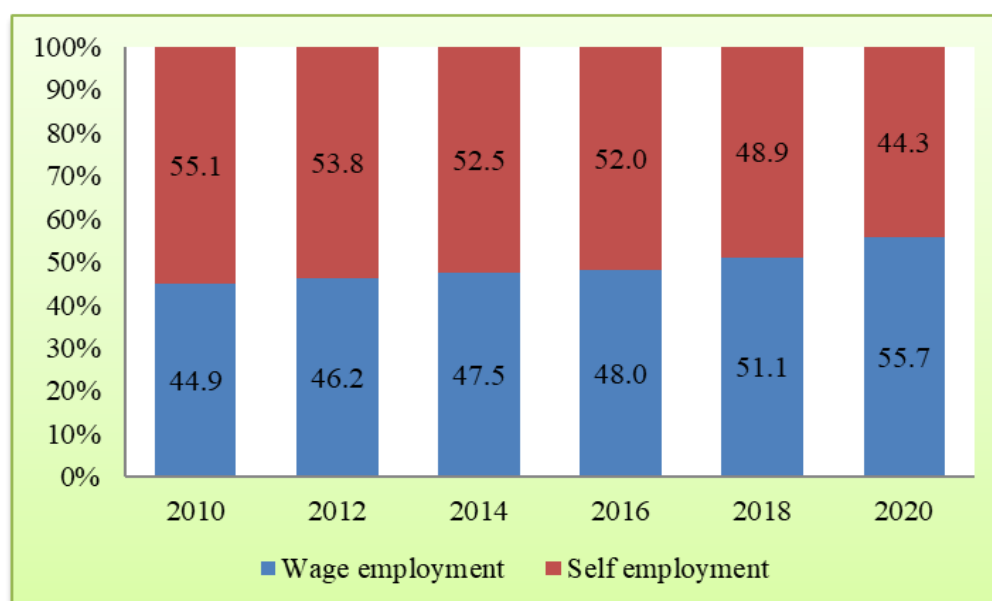


Source: GSO (2010; 2012; 2014; 2016; 2018; 2020)

Income Inequality in Terms of The Revenue Structure

People's income comes from two basic sources: (1) income from salary (wage employment); (2) self-employment income (self-employed) generated from areas including in agricultural, forestry, seafood, industry, construction, commercial, service and other self-employment sources. Viewing to income sources during the period 2010-2020 addressed the following characteristics: (1) nearly a half of people's income has been come from paid works at about 48.9% and another half of income was self-made at 51.1%. Getting inside of 51.1% of self-employed income, it accounted for agricultural, forestry and fishery dominated at about 17.5%; industry and construction; trade and services and other revenue were 4.7%, 16.8% and 12.1% respectively (GSO, 2010; 2012; 2014; 2016; 2018; 2020). (2) the income structure expressed prominently the direction of increasing income in wage employment (wage employed, paid work or wage earners...) and gradually decreasing self-employment (self-employed) income. In 2020, income from salaried work leveled up to 55.7% by an increase of 10.8% compared to 2010 while self-employed income dropped to 44.3% in 2020 started from 55.1% in 2010 (see Figure 2). Figure 2 also showed that people's income has being improved over years and that is one of the most important factors played a key role to enhance the living standard of Vietnamese people. However, in a research conducted by ILO⁸ and GSO the ratio of self-employed workers over a decade still has been exceptionally high that they are classified as vulnerable workers, unstable jobs, almost inadequately guaranteed benefits under the labor law, and lack of assistance factors to sustainable work included in adequate social security, voice and position in their work (ILO, & GSO, 2018).

Figure 2. Income structure of Vietnamese people 2010-2020 (%)



Source: GSO (2010; 2012; 2014; 2016; 2018; 2020)

According to classical economists, the developing economies having abundant labor forces has being gradually shifted large numbers of self-employment workers, who normally possessed low-productivity, to higher productive wage workers that this propotion has increased continually (GSO, 2019). Considering developed economies, the proportion of wage workers has been seen accounted for over 80% (CIEM, & Friedrich Ebert Stiftung, 2012). (4) there was an explicit distance in the proportion of income sources of urban compared to that of rural areas. In urban areas, the number of wage earners was weighted more than self-employed workers. After 10 years, wage workers reached at 62.3% compared to 54.9% by 7.4% added while self-employed workers dropped down from 45.1% in 2010 to 37.7% in 2020 mutually. In rural areas, although self-employed still played a dominant feature in income, it still showed a sign of remarkable movement. In its, the proportion of income-based wage employment has been extended yearly, at about 13.1% added over a decade remarking an equivalent strong drop of self-employed from 63.6% cut down to 50.5% (see Table 3). The movements in the ratio of income structure in rural areas nearly doubled its in urban 2010- 2020 as well as illustrating a general trend in a whole country.

Table 3. Income structure in urban - rural areas from 2010 to 2020 (%)

Year	Urban			Rural		
	Total	Wage employed	Self employed	Total	Wage employed	Self employed
2010	100	54.9	45.1	100	36.4	63.6
2012	100	55.8	44.2	100	38.4	61.6
2014	100	56.2	43.8	100	39.9	60.1
2016	100	55.7	44.3	100	41.2	58.8
2018	100	57.9	42.1	100	44.6	55.4
2020	100	62.3	37.7	100	49.5	50.5

Source: GSO (2010; 2012; 2014; 2016; 2018; 2020)

The income scenerio of Vietnamese people in general and regions of the country in particular during 2010-2020 has illustrated a growth and simultaneously inequality income is recorded notably. There was the highest income were belonged to the Southeast (SE) and the lowest to Northern Midlands and Mountains (NMAM). This impossibly obscured that income inequality led to inequalities in accessing health care, education and employment in which these turned out the gap between the rich and the poor, the disparity in living standards and social stratification deepens in reverse. Moreover, other studies also recognized that economic inequality and inequality in accessing basic social services has interacted mutually (Son & Tién, 2014: 11). In a view of the national scale, it showcased that a half of the people's income has come from wage employment and the other half from people's self-employment. As above-mentioned, the structure income was mainly formulated by salary from paid

workers (wage employed), as well as a pivotal uprasing tendency, while a gradually shrinking ratio of self-employment penetrated in regions, urban and rural areas. Nevertheless, the heterogeneity in economic, geographical and natural - social conditions in each region have significantly influenced to structure of people's income.

Income Inequality Based Gini Coefficient In Urban And Rural Area

Observing the Gini coefficient, there were two main following features emerged in the urban-rural areas of Vietnam in a recent decade. (1) in terms of the national scale, Gini coefficient has been narrowed down recently in a slow pace ; (2) there was a significant difference in Gini coefficient between regions and urban-rural areas. The Gini index possessed remarkable developments in NMAM, Highlands, MKD and rural areas. This situation and movement is largely due to economic decline and poverty (UN, 2015). NMAM, a typical case, was the poorest region of the country where the majority of households have lived under chronically poor conditions (UNDP, 2020). In this situation, although a small group has been benefited from the positive achievements of economic growth and their living standards were improved as actual consequence, in other hand another larger group fallen behind that causing inequality in the region. In addition, in rural areas, the economy growth changed totally the labor structure in different occupations rapidly leading to an increase in income inequality between the rich and the poor (Hung, 2020). Next, a strong growth has spread across geographies in Vietnam, not on limited in Hanoi and Ho Chi Minh City, but also its influence could be recognized clearly in rural areas (WB, 2015: 41). In 2010, the Gini coefficient of NMAM reached at 0.406 (ranking 4 in 6 regions) continuing to maintain increasing over time upto 0.420 in 2020, which is the highest level in the country. If we consider the income gap coefficient for the period 2010-2020, the results show that income inequality between the rich and the poor is higher in rural areas than in urban areas (8.2 times compared to 7.0 times) (see Table 4).

Another aspect unveiled that Gini decreased gradually in developed places with economic potential such as urban regions like RRD and SE. In urban areas, economic development regions, people has been more beneficial to approach opportunities to professional developments and work skills through education and trainings that in its this environment also creates a vast of job options coming along with commensurate salary for people. As a result, a rigorous impact of income inequality has been gradually diminished while its in rural and underdeveloped areas still were at a high level. A typical example in reducing income inequality is SE, the fastest growing economic region in Vietnam, that a majority of the population took advantages from wide-ranging socio-economic policies, more development opportunities and high income, especially where poverty eradication has been conducted effectively reducing poor households distinctly.

Table 4. Gini coefficient of South East's income (SE) in comparisons 2010-2020

	2010	2012	2014	2016	2018	2020
Vietnam	0.433	0.424	0.430	0.431	0.424	0.375
Urban	0.402	0.385	0.397	0.391	0.372	0.330
Rural	0.395	0.399	0.398	0.408	0.407	0.373
RRD	0.408	0.393	0.407	0.401	0.392	0.327
NMAM	0.406	0.411	0.416	0.433	0.443	0.420
NCACC	0.385	0.384	0.385	0.393	0.383	0.354
Highlands	0.408	0.397	0.408	0.439	0.440	0.406
SE	0.414	0.391	0.397	0.387	0.373	0.291
MKD	0.398	0.403	0.395	0.405	0.399	0.368

Source: GSO (2010; 2012; 2014; 2016; 2018; 2020)

In the period 2010-2020, income inequality in Vietnam was moderated at an average level that Gini index averaged at 0.419 over 10 years. Each year, the deviation of inequality was altered in average in comparison that the coefficient of inequality is significantly making a huge severity between urban and rural areas. In urban areas, the Gini averaged at Gini over times as well as such mean of low inequality, while it peaked at about 0.402 in 2010 compared with a gradual inequality reduction's continuation from 2012 to 2020. In rural areas, the average was 0.396 in which 2016 and 2018 recorded at 0.408 and 0.403 respectively weighted higher than the last years (2010-2014). Thus, in general, over the past decade, income inequality in urban and rural areas of Vietnam is low that it was an effort to control inequality, although Gini coefficient has been fluctuated slightly over times. In the SE, the average of Gini coefficient in 10 years was at about only 0.375 that inequality had been kept to remain low and recently has decreased significantly, especially its highest reached at only 0.414 in 2010 in considerations with others regarding to 0.391 in 2012, 0.397 in 2014, 0.387 in 2016, 0.373 in 2018 and 0.291 in 2020.

In the other hands, Gini in the NMAM and Highlands remained stable approximately, but abnormally raised in 2016 and 2018 for NMAM. More interesting, getting deep downed an aspect of Gini index in, its reconfirmed that areas of less urbanization as typical as NMAM and Highlands are becoming hot spots of Gini index tendencies gradually increased (see Table 4). As discussed, income inequality is widely widespread impacting strongly on the poor and underdeveloped regions.

DISCUSSION AND POLICY DIALOGUE

Over the past decade, the range of income inequality has widened in underdeveloped and rural areas that on the contrary in developed and urban areas it demonstrated increasingly narrowed and becoming equaled over classes. There were empirical evidences also pointed out that the tendencies of income disparity and mobility between areas and regions in the country have become a rigorous controversial problem prominently when people getting a better living condition recognizing the wealth of the rich enriched continuously. The comprehensive solution was considered inadequately, while inequality still

exists to playing a strong role to mainly put severe and divergence burdens for less developed regions, rural areas for the poor groups.

This situation can be explained that in underdeveloped areas and rural areas there is a group of people who are getting richer by benefiting from the results of economic development while other groups are failed to maximize the opportunity and left behind, especially it is clearly social wealth has been allocated inefficiently for all. The rising gap between the rich-poor and social stratification have been stemmed from it. On the other hand, in the current context of integration and development, a positive sign that mobility and social mobility in these places and in-between enhanced dynamic quickly thanks to centralized state-owned investment to modernize transport system and social infrastructure.

In contrast, in the dynamic economic regions being prioritized paying attention by government such as the SE closed to Ho Chi Minh City and RRD supported by Hanoi capital, these places have been considered the growth and development poles in the northern and southern of the country, the results of growth are distributed more reachable to the population groups, workers, growth opportunities and higher income levels enhanced by specific regional development policies resulted in less poor households compared to other regions. All of these factors basically clarify a trait of a reduction of the inequality gap. Hence, the central mission focus on shortening inequality in underdeveloped areas and rural areas by government and relevant stakeholders via amendment and implementation policies in order to pay special attention and research the redistribution in income distribution and improvement for the poor and disadvantaged groups by nurturing feasible assistance programs. In its, education - trainings and human capital development could be given a special prioritized effort to promote transformations of incomes, occupations, jobs and skills for people in long runs.

The Reducing Income Inequality And Promote Sustainable Development Policies

In the past 10 years, although the income of Vietnamese people recently has been continuously increased, the disparities between areas, regions and population groups are significantly distancing. In each regions, the basic foundations differentiated widely in economy, natural - social conditions, cultural traits, education level, people's intellectual level, production capacity, infrastructure and comparative advantages inevitably contributing to income inequality extraordinarily. Due to this, the structure of income sources of the population groups in the regions were clearly differentiated as a result that it witnesses the highest income belongs to the SE and the lowest to NMAM. Nevertheless, the lack of effectively accessing health care, education and employment have enduring impacts strongly contributing to the rich and poor disparity in living standard and social stratification. In practice, it has shown that economic social services inequality had a positive correlation (Son & Tién, 2014).

The balance of income is gradually swapping to wage employment with a low speed. More importantly, self-employment income remarked a dominant of up to a half in general. According to economists recommendation, in developing economies containing an abundant labor force, a considerable large number of low-productivity self-employed workers has being transfered to enlarge the proportion of wage employed workers with higher labor productivity (GSO, 2019). Eventually, the factor of productivity enhancement has being focused. In research, CIEM, & Friedrich Ebert Stiftung. (2012) also showed that one of the most considerable aspect was the proportion of wage employment accounted for over 80% in developed economy countries. Therefore, having an effort to limit inequality and help society develop sustainably, the government and its functional agencies have been put under a huge pressure to making more effective decisions and solutions so as to improve productivity, education and training and professional skills for the labor force in rural areas, poor groups and underdeveloped areas. However, income inequality is a big problem, in which it not only challenges economical field, but also relates to other different fields of a society, that the comprehensive solutions limiting its negative sides for this inequality has continued to require substantial and reciprocal social policy.

The Economic Growth And Social Sustainability Policies

Under economic growth, factors of income distribution and social sustainability have been proved a firm relationship and mutual influences. In the current context of globalization, income distribution was inevitably effected that it created hurdles in a society in which the world of unequal basicness included terms of “winners and losers” and “those who go too fast, those who are left behind” have been increasingly actualized. Several former studies have concluded that the economic growth is a necessary condition that it is estimated an insufficient condition to enhance people's living standards. Following to developed countries possitive lesson, in a developing country the government and local authorities is facing the challenges to research and adopt a combined development model which facitilates the harmonizing of economic growth and equality at the same time⁹ in order that this synergy can still support a rapid economic development and concurrently stabilize social sustainability. Meantimes, the following policies can be consulted and applied flexibly depending on the local situation and conditions included in (1) the policy of the rapid growth, (2) the policy of selecting collective rapidly growing industries without negative side effects to equality, (3) social policy priorities to solving the problems of poverty, inequality, social security and social welfare for the poor and households living in rural areas initially.

The Role Of The Government In Facilating And Controlling Social Inequality

In recent decades, a vast of attention to the theoretical and empirical researchs have attempted to answer the practical long-established question of whether inequality is good or bad for economic development. In its, one hand inequality

leads to constrain economic developments due to political and social instability pressures. Other hands, it could also promote growth through favorable incentives for investors in production and technology improvements (Roser & Ospina, 2016). In terms of the theoretical point of view, there are numerous arguments in both directions of inequality seen good and bad. However, the worldwide experience has shown that a low index of inequality tended to remain in high-income countries. The explicit message is clear that high inequality often brings its complication commonly in developing countries that the reasonable response to inequality required highly an ability of sustainable adaptability in which the role of the state is mainstream.

The Commitment to Reducing Inequality Index (CRI) addressed that governments were divided into two opposing viewpoints regarding to solving or promoting inequality (OXFAM, 2018 : 3). In addition, an empirical survey of the World Values Survey¹⁰ over 60 countries confirmed that richer people included to less supportive of reducing inequality. Rich people considered it was an important driver to remain their status, while lower-income people participated in supporting equality (Roser & Ospina, 2016). This result partly clarified two opposing attitudes between the rich and the poor about inequality not only a driver, but also a barrier to development for them and as a whole. Therefore, it is inevitable for all that the role of the state is very important in matters of enhancing efficiently communication, administration, coordination, and orientation towards to public opinion on the sustainability income inequality in long terms.

Redistribution By Tax And Social Welfare Policies

Taxes and social welfare are always a polemic controversial problem in a vast of forums in lens of developed and developing worlds that whether contributing to alleviate the income inequality level in which any alteration of factors of that pre and post tax benefits and social welfare have affected significantly on income inequality. Additionally, taxes and welfare was recored to reduce income inequality significantly in all countries at about one third¹¹ (OECD, 2008). These mentioned experiences are giving a chance for developing nations as well as Vietnam in the current context in in which when people's income, livings standard, life expectancy and a rising trend of the proportion of wage employment have being improved over times. However, these issues need to be interpreted thoroughly reducing above-mentioned controversiality that the pre-tax income distribution is a mean of a rational choice which explained the received benefits from social welfare resulted from taxes. In other words, the distribution of pre-tax income might be different from the revenue without taxes or social benefits. The inequality is not only reduced by individual redistribution at a given time, but also in the entire of one life. Indeed, beside thats, one of considerable social welfare is pension has showcased the potential driver to intervene inequality by allowing for an intergenerational redistribution of income in a country.

CONCLUSION

Income inequality is an inevitable phenomenon in a developing society over the world. In the recent decade, Vietnam has maintained an impressive economic growth rate compared to many countries in the same region, even its was slowed down slightly due to the obvious impact of the Covid-19 epidemic in 2020. The results of sustainable economic performance has changed and raised income levels enhancing most people's living standard. However, in insight that although the dynamics and status of improved aspects, the income inequality in urban and rural areas ; the gap of the rich and the poor and wage employment and self employment still remaind inadequate marking thoroughly considerations in further researchs. Accordingly, a good sign of income inequality has inclined to narrow gradually in urban areas and developed regions, whereas it significantly indicated extension in rural, underdeveloped, highlands and mountainous areas in the country. Income inequality not only has deepened social stratification, but also hindered the country's sustainable development. Therefore, it requires the government to enhance more actionable policies and solutions.

The novelty and vital contributions of this study was an effort to exploit big data of GSO's VHLSS in order to outline the current status of income inequality in Vietnam in terms of approaching regional and urban-rural comparison over last 10 years, also proposing policies to sharing prosperity towards to more equal future for all, especially in the scinerio of globalizion. However, income inequality is a mean of dynamic and macroscopic entity grasping several aspects of a society. On the other hand, an addition to the most common characteristics, income inequality has been influenced by indigenous cultural factors and specific socio-economic conditions of each region and locality. These mentioned hurdles have challenged the scope of the study was impossible to approach comprehensively as well as a research limitation. Hence, in order to more effectively solve the problem of income inequality towards sustainable development, further researchs on income inequality in Vietnam or other developing economic nations should pay more attention to in-depth research in which income inequality would be focused on a more specific geographic aspesct considering region, urban, rural of a particular locality.

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