

## THE DISCUSSION-GAP BETWEEN RICHES AND POVERTY IN VIETNAM

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By <http://www.tuanvietnam.net/2010-05-23-ban-them-ve-khoang-cach-giau-ngheo-o-viet-nam>

The gap between riches and poverty hasn't been an economical norm. It has reflected the social gluing and has been an expression of equality in society. The gap between riches and poverty will be able to emerge. But the sustainability of development on the world and the socialism orientation also haven't approved the gap between riches and poverty of going to enable threshold of polarization.

The additional report of social-economic situation in 2009 and implementation of making plan for social-economic development in 2010 of Government, the additional investigating report as well of the Economic Committee at the 7th session of Congress mentioned to the issue of poverty alleviation but there has been no information so far of the gap between riches and poverty in society. There are some additional data on the socio-economic picture of the country. [1]

The gap between riches and poverty has been expressed in many ways via income, spending, enjoyment of health facilities, education and culture. For some countries, regions and provinces, through Human Development Index (HDI) or Millennium Development Index (MDG). The data of this article is mainly the income gap.

(1) According to the statistical data, the differential coefficient of per capita income of the highest 20% group in comparison with the lowest 20% group nationwide in 1990 is 4.1 times, 4.2 times in 1991, 6.2 times in 1993, 6.5 times in 1994, 7.0 times in 1995, 7.3 times in 1996, 7.6 times in 1999, 8.1 times in 2002 and 8.4 times in 2004. During 14 years, the differential coefficient has been raising 2.05 times.

(2) The other index of the gap between riches and poverty in society is gross income density of 40% of households with the lowest income (group 1 and group 2) in gross income (of 5 groups). According to Ministry of Finance's convention, if density is less than or equal to 12%, the inequality will be high, about 12-17% is normal inequality, if it is more than or equal to 17%, the inequality will be relatively equal.

The result of statistical data shows that: this density of Vietnam in 1995 is 21.1%, 21% in 1996, 18.7% in 1999, 18% in 2002, 17.4% in 2004. During 9 years, the income difference of household groups from relative inequality to normal inequality.

(3) The Gini coefficient (G) is another index which expresses equality or inequality in society. The G coefficient has numeric value from 0 to 1. G=0 is perfect equality, G=1 is perfect inequality.

The statistical data in Vietnam shows that, in 1994 the Gini coefficient is 0.350, 0.357 in 1995, 0.362 in 1996, 0.390 in 1999, 0.420 in 2002, 0.423 in 2004. The equality has been decreasing, the inequality has been growing.

(4) The income differential coefficient of household groups with the highest income and lowest income nationwide and some regions, according to investigatable result of the General Statistics in 1996 and 1999 as followed:

### THE INCOME DIFFERENTIAL COEFFICIENT OF GROUPS

20% 10% 5% 2%

1996	1999	1996	1999	1996	1999	1996	1999
Nationwide	7.38	9.10	6.12	5.11	7.12	7.22	9.4
Red River Delta	6.67	10.9	13.11	8.21	1.1		
Highlands	12.8	12.9	13.2	15.1	17.4	18.5	37.8
South East	7.9	10.3	11.8	13.4	18.9	21.3	34.6
Cuu Long River Delta	6.47	9.7	9.10	4.10	9.13	1.18	8.21

In recent ten years, there is no survey data.

The data, calculation of different methods obviously shows the gap between riches and poverty and its dynamic during past times in our country. It is very regretful that we can't find the data after 2004 and some recent years.

The gap between riches and poorness hasn't been an economical norm. It has reflected the social gluing and has been an expression of equality in society. In the other way, it has been an index of economical environment and social environment.

The society needs motivation to develop. The gap between riches and poorness will be able to emerge. But the sustainability of development on the world and the socialism orientation also haven't approved the gap between riches and poorness of going to enable threshold of polarization.

For voters can monitor this aspect, the Parliament and Government should supplement the report at this session [2], and in the system of socio-economic indicators annually, an indicator of the gap between riches and poverty in our country's society.

[1] The data in this article was assembled from official statistical data and some data which was proclaimed, read via internet:

(a) The data of General Statistics, especially 2 documents the analysis of life survey result, household economy in 1999 and the survey of household's living standard.

(b) The real situation of riches and poverty, 03.2006, TBTC of Ministry of Finance <http://www.mof.gov.vn/Default.aspx?tabid=612&ItemID=31712>

[2] At the debate and question of the sessions.