

**Project title: The unequal on income distribution inn the
under developed economies and some suggestions on
policies for Vietnam (KT.07.02)**

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Implementing institution: University of Economics and Business, VNU

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Objectives:

In the present world, the unequal is spoken about a lot: the unequal on opportunities, unequal on the politics, economies. This theme considered unequal on economy (incomes). The unequal on income has become one problem of the development. The unequal on income is indicator of income discrepancies between individuals or a group of individuals in society. There are many ways to measure this unequal: using the discrepancy indicator on income between the richest group and the poorest group; using the Lorenz curve line; using Gini UEBfficient. In the market, the unequal on personal income which has the original income from labor, income from assets, income from business. Besides, the reason from the Government side in the establishment of regime to transfer some of the income from the rich person group to the poor group should also be mentioned.

Main contents:

The under-developed countries hereinafter are understood as low income countries according to the classification of countries of the World Bank (WB). In general, accounting due to Gini UEBfficient, the unequal of these countries is medium and high. In one country, the initial period of the growing processes, the unequal increases, after that it has gradual reducing trend. Together with the average income per person, the unequal income is the decisive element for the

poor ration of one country. This goes together with the waste of resources: the social contradictions, conflicts are easy to arise; the environment is destroyed. The high unequal income situation existing for a long time impacts directly to the economic growth and development. Therefore, one of the current important political selections of under developed countries is to reduce the unequal income. This is advantage for the general prosperous and also beneficial for the development process.

Results obtained:

Vietnam implements the economic reform with the equal start on low income, because in the previous economic regime, major part of the people has homogeneous low living standard. When transferring to the market economy, Vietnam has attained significant progress in economic growth and improved the living standards of the people. However, together with drastic growth, the unequal income level is also increased. Therefore, the reduction of unequal on income is paid special attention. There are many selected policies to reduce the unequal on income. They are the overall policies relating to the income according to the functions and the incomes of individuals. They are also the policies to increase the income and reduce the poor at rural regions. It is impossible to select one society without growth as well it is impossible to select a high unequal society. The balance between these two elements reflects the political selection of the leader as well as the requirement of the present society of Vietnam.