

Assessing the Impact of Economic Growth on Social Advancement in Vietnam

Hoa Quynh Nguyen^{a*}

^aPhD., Faculty of Planning and Development Economics, National Economics University, Vietnam

*Corresponding author. Email: quynhhoa@neu.edu.vn

Abstract

According to the comprehensive development perspective, the combination of rapid economic growth, poverty reduction and human development ensures progress and social equality. This viewpoint was clearly defined in Vietnam's Social-Economic Development Strategy of 2001-2010 and followed continuously during the period of 2011-2020. The UN Human Development Report 2010 ranked Vietnam among the top 10 countries in the world with the most progress in economic growth and human development. In recent years, however, every aspect of progress for society has slowed down or taken a step backward compared to the progress of economic growth, causing a decrease in the pace of human development. This article assesses the impact of economic growth on social advancement in Vietnam from 2001 to the present, specifically in terms of improvement in living standards, human development and social equity, all of which have policy implications for increasing social advancement of Vietnam in the future.

Keywords: economic growth, growth elasticity of poverty, human development, income gap rate, social advancement

บทคัดย่อ

การสร้าง ความสมดุลระหว่างการเจริญเติบโตทางเศรษฐกิจ การลดความยากจน และการพัฒนาทรัพยากรมนุษย์ เป็นแนวทางการพัฒนาแบบองค์รวมซึ่งจะสร้างความเจริญและความเสมอภาคทางสังคม แนวคิดดังกล่าวได้ถูกระบุไว้อย่างชัดเจนในฐานะยุทธศาสตร์การพัฒนาเศรษฐกิจและสังคมของประเทศเวียดนาม ค.ศ. 2001-2010 และยังคงสืบต่อมาจนถึง ค.ศ. 2011-2020 รายงานการพัฒนามนุษย์ขององค์การสหประชาชาติ 2010 ได้จัดอันดับประเทศเวียดนามเป็น 1 ใน 10 ของประเทศที่มีการเจริญเติบโตทางเศรษฐกิจและการพัฒนามนุษย์สูงสุดในโลก แต่อย่างไรก็ตาม เมื่อไม่นานมานี้ การพัฒนาสังคมในทุกด้านของเวียดนามกลับช้าลงหรือถดถอยเมื่อเปรียบเทียบกับความเจริญก้าวหน้า

ทางเศรษฐกิจ ส่งผลให้ความเร็วของการพัฒนามนุษย์ลดลง บทความนี้ประเมินผลกระทบของการเจริญเติบโตทางเศรษฐกิจต่อความเจริญก้าวหน้าทางสังคมของเวียดนามนับตั้งแต่ ค.ศ. 2001 จนถึงปัจจุบัน โดยเฉพาะอย่างยิ่งต่อการปรับปรุงมาตรฐานการครองชีพ การพัฒนามนุษย์ และความเสมอภาคทางสังคม และให้ข้อเสนอแนะต่อการสร้างความเจริญก้าวหน้าทางสังคมของประเทศเวียดนามในอนาคต

คำสำคัญ: การเจริญเติบโตทางเศรษฐกิจ ความยืดหยุ่นของความยากจนต่อการเจริญเติบโต การพัฒนามนุษย์ ช่องว่างของรายได้ ความเจริญก้าวหน้าทางสังคม

Introduction

Vietnam is not alone in countries throughout the world wanting economic growth, social advancement and social equality. Resolving the issues related to these factors has always been one of the most crucial missions. The relationship between these factors has been researched and generalized into theories of development. The research conducted by Simon Kuznets in his article, “Economic Growth and Income Inequality” (Kuznets, 1955), was the first study stating a hypothesis about the relationship between economic growth and income inequality. According to this article, the relationship of these issues can be illustrated through the “inverted U” graph, which has come to be known as the Kuznets curve. This graph illustrates that in the first stage, as long as income per capita is low, social inequality is also low and it will rise alongside the increase of income per capita. In the second stage, however, social inequality will decrease when the benefits of economic growth are more equally distributed. In other words, Kuznets believed that inequality would follow an inverted “U” shape as it rises and then falls again with the increase of income per capita. A similar idea is that of W. A. Lewis (1954), in his famous economic development model, according to which inequality will rise in the beginning, and decrease when the economy reaches a particular level. In addition to theoretical models, there have been numerous practical research models about the relationship between economic growth and social advancement. These models can be divided into three main types that can be applied to the

situation of developing countries: prioritized social advancement models (applied to socialist countries, including Vietnam before the era of economic reform); prioritized economic development models (applied to some South American countries); and comprehensive models, which combine both factors (applied to South Korea, Taiwan and Singapore). In addition, there are many articles that analyze the relationship between economic growth and social advancement by separate aspects, such as economic growth and human development (Ranis, et al., 2000; Lee, 2003); economic growth and poverty reduction (Dollar and Kray, 2000; Ravallion, 2001; Adams, 2002; Lin, 2003; Son & Kakwani, 2004) and growth and inequality (Perotti, 1996; Deininger & Squire, 1996; Barro, 2000; Ogus Binatli, 2012; Fawaz, et al., 2014).

Vietnam for the period 2001-2010 applied a social-economic development strategy with the approach of ensuring rapid, efficient and sustainable development, economic growth along with social progress, equity and environmental protection (Vietnamese Communist Party, 2001). Since that time, a vast amount of research has been carried out to analyze and justify the pros and cons of economic growth as well as social equality (Vietnam Ministry of Planning and Investment, 2010; McCaig, Benjamin and Brandt, 2009; World Bank, 2012). In addition, H.T.M. Dao (2014) in a recent journal article evaluated the impacts of economic growth on human development in Vietnam by analyzing these two factors separately. Nevertheless, there has been little research evaluating the real effects of economic growth on human development concerning the related indicators that directly reflect this relationship in the period 2011 to the present. The present article aims to fill this gap, make some appropriate suggestions and recommend the continuous application of a people-centered economic development model.

Method

Criteria and indicators

This article will use multi-criteria analysis with indicators that have been widely used in international institutions such as the World Bank

and the United Nations to evaluate the effects of economic growth on social advancement in Vietnam, including:

- Ratio of growth for human development (GHR):

Accordingly, the two variables taken as representative of these two processes are the rate of change per capita income ($\% \Delta y$) and the rate of change in the Human Development Index ($\% \Delta \text{HDI}$). Thus: $\text{GHR} = \% \Delta \text{HDI} / \% \Delta Y$ (where Y is GNI/capita).

This index illustrates the extent to which (expressed in percent) human development benefits from a one-percent rise in per capita income, giving a precise result about the relationship between economic growth and human development. If the GHR is positive, it will show that human development is improving thanks to economic growth, and of course, a negative value of GHR means economic growth is not the main factor to help improve the quality of life. By that meaning, the ratio measures the pace of transferring economic growth benefits to human development.

- Growth Elasticity of Poverty (GEP): This index illustrates how much the poverty rate changes when per capita income increases one percent.

$$\text{GEP} = \% \Delta \text{poverty rate} / \% \Delta Y \text{ (where Y is GNI/capital)}$$

If the index is a negative number, the pace of economic growth is inversely proportional to the poverty rate, meaning that economic growth has a positive impact on poverty reduction, and vice versa.

- Criteria reflecting inequality in income distribution, including:

(1) Gini coefficient (or Gini index or Gini ratio): Reflecting how the result of economic growth is distributed to each group of citizens. Regarding international specifications, the Gini is considered best when it is around “0.3”. If it is more than 0.4, then a society’s income distribution is considered unequal. More specifically, when the index ranges from 0.4 to 0.5, a society is considered fairly unequal, and if it rises to more than 0.5 this society is considered highly unequal.

(2) Income gap index: Derived from the Kuznets ratio, this index is measured by the ratio of the income of the 20 percent wealthiest people (households) to the 20 percent poorest people (households); hence it is a measure of inequality

The income gap index = the share of total income received by the wealthiest 20 percent divided by the share of total income received by the poorest 20 percent.

Based on international specifications, if the index is more than 10, a society is considered highly unequal. If it ranges from 8 to 10, it is immediately unequal. If this index is lower than 8, it is slightly unequal.

(3) The “40” criterion of the World Bank: this criterion measures inequality based on the proportion of the income of the 40 percent poorest people (households) in a society. According to this, if the proportion is below 12 percent, a society is highly unequal. If it ranges from 12 to 17 percent, this society is fairly unequal. When it rises to more than 17 percent, this society has low inequality.

Research methodology and data sources

This article relies on the secondary data resources of WB, UNDP, MOLISA and GSO, which are updated until 2014 to measure the above-mentioned indicators in Vietnam. Based on the results, the author used the comparative analysis method as well as time series data and panel-data (for international criteria for other countries) to draw a set of comments about the effects of economic growth on social advancement in recent years.

Results

Effects of economic growth on human development

The level of human development is often referred to as the HDI (human development index) and since the ultimate goal of the development process is human development, the aim of economic growth with the role of providing the necessary material conditions for the development process is to increase this index. In Table 1 below, this index was calculated by a new method provided by the United Nations (UNDP, 2010). The result proved that the HDI of Vietnam has annually increased along with economic growth. Nonetheless, using GHR to measure the direct influence of economic growth to HDI reveals some tendencies:

- The period from 2001 to 2010:

Vietnam had a high pace of economic growth, and GNI per capita almost doubled (from 1,704 USD in 2000 to 2,995 USD in 2010). In addition to economic improvement, human development also had a positive adjustment. Its HDI increased annually (from 0.505 in 2000 to 0.572 in 2010), making Vietnam one of the countries with medium human development (Table 1).

Table 1: Ratio of growth to human development (GHR) of Vietnam during the period 2001 to 2014

(USD according to PPP in 2005)

<i>Year</i>	<i>GNI capita (Y) USD- PPP</i>	<i>%ΔY</i>	<i>HDI</i>	<i>%ΔHDI</i>	<i>GHR</i>
2000	1,704		0.505		
2001	1,799	5.569	0.513	1.452	0.261
2002	1,896	5.392	0.519	1.309	0.243
2003	2,006	5.802	0.526	1.308	0.225
2004	2,127	6.000	0.533	1.280	0.213
2005	2,274	6.902	0.540	1.341	0.194
2006	2,427	6.729	0.547	1.342	0.199
2007	2,578	6.239	0.554	1.245	0.199
2008	2,695	4.550	0.560	1.023	0.225
2009	2,838	5.310	0.566	1.090	0.205
2010	2,995	5.509	0.572	1.093	0.198
2010 ¹	4,314		0.653		
2011	4,514	4.636	0.657	0.612	0.132
2012	4,709	4.320	0.660	0.457	0.106
2013	4,901	4.077	0.663	0.455	0.112
2014	5,092	3.897	0.666	0.452	0.116

Source: Calculated from data given by annual Human Development Report; and <http://www.indexmundi.com/facts/vietnam/gni-per-capita>.

¹ Based on the new calculation of HDI (UNDP, 2015) with GNI/capita-USD PPP 2011

Table 1 indicates that from 2001 to 2010, GHRs were always positive numbers, meaning human development was improved by economic growth. However, at the same time these numbers were decreasing. In 2001, GHR was 0.261, but it quickly declined to 0.199 in 2006, and then to 0.198 in 2010. In other words, the positive impact of economic growth on human development decreased by more than 30 percent.

- From 2011 to 2014

Table 1 shows that in this period, while GHRs were continuously positive, they steadily decreased. In 2011, GHR was 0.132, yet it rapidly went down to 0.116 in 2014, nearly half of what it had been in 2001.

The results indicate that although Vietnam still has maintained an increase of its HDI when GNI per capita has risen, HDI has a slower pace of improvement in comparison with GNI per capita, meaning the positive effects of economic growth on human development have become less distinct. Thus, while Vietnam had a fast pace of economic growth, its HDI ranking went down; specifically, Vietnam was ranked 113th in the world in HDI in 2010, but went down to 121st in 2014 and 116th in 2015. Moreover, Vietnam's position in Southeast Area's HDI ranking was nearly unchanged, and it is still considered a low-medium human development country and lower than most of its neighbors, while Thailand and Malaysia have experienced significant improvement in HDI score and ranking.

Economic growth enhances poverty reduction:

In general, rapid economic growth has had a positive impact on poverty reduction in Vietnam in recent years. Before economic reform, the poverty rate of Vietnam was at a very high level, sometimes as high as 70 percent. During reform and since then, poverty reduction has been one of the main concerns of the Vietnam Communist Party, government and state institutions. This is believed to be the main reason for the plunge in the poverty rate (Table 2).

Table 2: Poverty rate in Vietnam during the period 2001 to 2014

Year	2001	2002	2003	2004	2005²
Number of poverty households (1000 hhs)	2800.1	2500	1700	1440	3898.6
Poverty rate (%)	17.18	14.30	11.00	8.30	7.00
Year	2006	2007	2008	2009	2010
Number of poverty household (1000 hhs)	3568.5	3229	2806	2366	2219
Poverty rate (%)	18.00	14.70	13.40	11.30	10.60
Year	2011	2012	2013	2014	
Number of poverty households (1000 hhs)	2580.9	2149.1	1797.9	1442.26	
Poverty rate (%)	11.76	9.60	7.80	5.97	

Source: Ministry of Labour, Invalids and Social Affairs (MOLISA)

Table 2 shows that the poverty rate in the period 2001-2014 decreased significantly although the poverty line increased. This positive trend resulted from the high rate of economic growth combined with poverty reduction policies and programs. Poverty reduction has taken place almost everywhere, from urban to rural areas, especially in remote areas. However, during the period 2011-2014 the pace of poverty reduction decreased to the lowest level, and the objectives set by the state for the period 2011-2015 (an average reduction of two percent household poverty rate per year) were not achieved. The average pace of poverty reduction during the period 2011-2014 was 1.6 percent/year. It was lower than the 1.85 percent of the period 2006-2010, and much lower than the 2.5 percent of 2001-2005. To have a precise evaluation, we may compare the pace of income per capita increase with the pace of poverty reduction, i.e. the growth elasticity of poverty (GEP), which indicates how effectively growth has translated into poverty (based on the WB's international poverty line of 2 USD-PPP per capita a day - Table 3).

² Based on the poverty line of the period 2006 -2010

Table 3: Growth elasticity of poverty

Year	Poverty reduction rate	Growth rate of GDP per capita	Growth elasticity of poverty
2002-2006	-12.65%	3.26%	-3.88
2006-2010	-28.75%	7.46%	-3.85
2010-2014	-20.24%	15.26%	-1.33

Source: Calculated based on World Bank's data

Table 3 illustrates that the rate of growth elasticity of poverty has always been negative, meaning that economic growth has positively affected poverty reduction. However, the absolute value of the coefficient appears to have decreased consistently, from 3.88 in the period 2002-2006 to 3.85 in 2006-2010, and to 1.33 in 2010-2014. Moreover, for the period 2010 to 2014, the growth rate of GDP per capita (based on PPP) was nearly twice as high as for the period 2006-2010, but the growth elasticity of poverty was only a third of the period 2006-2010. These indicators, on the one hand, reflect the difficulty of poverty reduction with respect to “chronically” poor households. On the other hand, they reflect the fact that the positive impact of economic growth on poverty reduction has tended to weaken continuously. In other words, the current growth model has gradually decreased the impact on poverty reduction. In fact, the extremely poor are not likely to escape poverty because they did not meet the conditions required to join the poverty reduction scheme, and cannot benefit from economic growth. In other cases, poor people got out of poverty not through their efforts, but through government subsidies.

Economic growth affects equality in income distribution

- Evaluating based on the widespread level of equality in income distribution, using the Gini index:

During the period 2001-present, the United Nations considered Vietnam one of 10 countries having the fastest rate of economic growth. However, this nation's inequality income during the period 2002-2012

has followed the inverse U curve. In the first stage, the Gini index rose continuously, reaching the highest level in 2008. From 2008 to the present, however, it has gradually decreased, returning to nearly the level of the first stage (Figure 1).

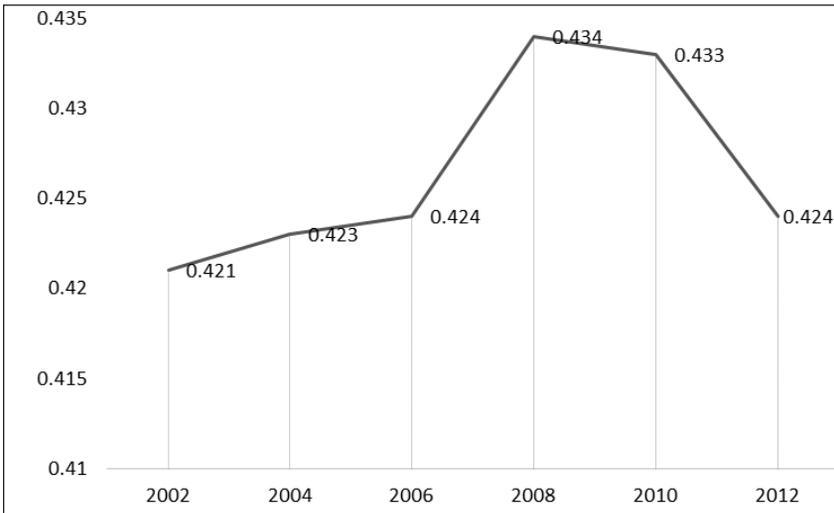


Figure 1: Vietnam's Gini index during the period 2002-2012

Source: Calculated based on VHLSS, GSO.

In comparison with international standards, Vietnam's Gini index ranged from 0.42 to 0.43, indicating that Vietnam has medium inequality. The main reason is that from 2001 to the present, Vietnam enacted the second social-economic reform program, and started moving to the third stage of the program with two main objectives: (1) combining fast economic growth with social equality at the beginning and throughout the development process, and (2) prioritizing economic issues. For the latter, in order to create motivation for economic growth and fundamental physical materials, we have to witness a difference in income distribution, while, for the former, the difference in income distribution will be kept at an acceptable level. Thus, it could be considered a success for Vietnam in economic reform process based on the sustainable development model.

- Evaluate the depth of inequality in income distribution: Income gap index and the “40” criterion of the World Bank:

According to the Vietnam household living standard survey (VHLSS) (General Statistical Office, 2013), income per capita of Vietnam rose swiftly with an average pace of 18.83 percent in the period 2002 - 2012, and this trend occurred in every household group (Table 4).

Table 4: Income per capita during the period 2002-2012

Currency unit: thousand dong

	<i>Whole country</i>	<i>Quintile 1</i>	<i>Quintile 2</i>	<i>Quintile 3</i>	<i>Quintile 4</i>	<i>Quintile 5</i>	<i>Income gap index</i>	<i>The “40” criterion</i>
2002	356.1	107.7	178.3	251.0	370.5	872.9	8.1	17.4
2004	484.4	141.8	240.7	347.0	514.2	1,182.27	8.34	17.4
2006	636.5	184.3	318.9	458.9	678.6	1,541.7	8.37	17.34
2008	995.2	275.0	477.2	699.9	1,067.4	2,458.2	8.9	15.1
2010	1,387.1	369.4	668.8	1,000.4	1,490.1	3,410.2	9.2	14.96
2012	1,999.8	511.6	984.1	1,499.6	2,222.5	4,784.5	9.35	14.95
Average	18.83	16.86	18.63	19.57	19.62	18.54		

rate of
econ.
growth

Source: Calculated based on VHLSS 2002, 2004, 2006, 2008, 2010, 2012, GSO

However, as seen in Table 4, the pace of increasing income per capita of the poorest household group (quintile 1) was lower than that of other groups by about two percentage points (i.e. more than ten percent), illustrating that the wealthy are more likely to benefit from economic growth than the poor, thus widening the gap between their incomes. During the period 2002-2012, the rate of economic growth was 6.96 percent, and the income gap reflecting the polarization of

households in Vietnam rose to 13-14 percent; moreover, the share of income of those below the medium level of Vietnam society in gross national income decreased gradually, and is currently just about 14-15 percent. The increase in social inequality has risen in comparison with past records. The income gap index in 2012 was 9.35, while it was only 4.1 in 1990, and 7.0 in 1995, 7.6 in 1999. More importantly, in the two periods, 2006-2008 and 2008-2010, this gap increased significantly in comparison with the past. The income of the 40 percent poor households in 1995 was 21.1 percent of the country's entire income. In 1999, it went down to 17.98 percent and the trend has continued to the present, at 14.95 percent. This trend has increased concern about the income gap, which has risen in the era of economic growth in Vietnam. This concern is important, because the "hidden" cost of inequality, which consists of the weakening of social cohesion and the loss of faith in government, is a direct cause of the feeling of inequality.

Table 4 also shows that, compared with international standards (prescribed by the World Bank, World Development Report, 2010), the current income distribution level in Vietnam is unequal both in width and depth.

In short, the results of Vietnam's development in the last period show that a high rate of economic growth could narrow the gap in income distribution overall but exacerbate the depth of inequality. Based on the recent negative adjustment in inequality, Vietnam has been moved from the group that has high equality, or nearly the bottom margin of medium equality, to the group that has low equality. If no changes are made, Vietnam will probably be moved to the group that has high inequality.

Discussion and Conclusion

In general, Vietnam has recently achieved particular success in economic growth. This growth, however, has had a negative impact on human development and poverty reduction. Although a high rate of economic growth has broadly reduced inequality in income distribution, it will exacerbate the depth of inequality. While the causes of the

situation cannot be analyzed in depth in an article of this length, some aspects are synthesized in the following paragraphs.

First, because of the low starting point, the economic growth of Vietnam in recent years has not been sufficient to create a breakthrough in social advancement. According to the UN Human Development Report, 2010, in term of economics, Vietnam is one of the countries that had the fastest pace of economic growth during the last period; specifically, income per capita has almost tripled. Nevertheless, Vietnam's income per capita has been at a low level, creating an obstacle for the country to accomplish its mission to drive its social advancement forward.

Second, some policies have failed to create opportunities for poor people and poor areas to be directly involved in the process of economic growth, and thus the poor have not been able to take advantage of this growth. Specifically, these policies are (1) those creating barriers to migration, which have made the labor market of Vietnam fragmented, causing the seclusion or the "isolation" of workers in less-developed regions; thus employees of these regions are unlikely to move to other areas to directly participate in economic activities; (2) those related to the construction of transport infrastructure (both hardware and software) to connect key economic regions with neighborhoods or linked policies encourage the exchange of goods, labor, education, training and human resources between key areas with the neighborhoods. These limitations have negatively influenced the impact of economic growth on the poorest regions by limiting their opportunity to participate directly in the growth process and thereby improve living conditions and implement progress for society.

For the reasons listed above, to enhance the impact of economic growth on the progress and social equality in Vietnam in the future, the following policy recommendations are given.

First, maintain a high rate of economic growth. It will take a long time for Vietnam's income per capita income to be equal to that of other ASEAN countries, for example, Indonesia (5 years), Philippines (8 years), Thailand (20 years), Malaysia (24 years), and Singapore

(40 years). Thus, despite high growth and Vietnam's success in leaving the ranks of low-income developing countries, the risk of further lag remains large so that Vietnam must spur economic growth in the coming years. To accomplish this goal, economic growth should be bound by the following requirements: (1) economic growth results from Vietnam's comparative advantage factors must create, nurture and promote strengths which are viewed as the main driving force for the implementation of economic growth targets; (2) strengthening the role of Total Factor Productivity (TFP) and increasing the contribution from total factor productivity growth to an economy's aggregate growth performance.

Second, create policies to remove the isolation of the less-developed regions, thereby creating opportunities for poor people and regions to become directly involved in economic growth by freeing migration to dynamic growth regions.

This policy, which has been used successfully in many countries around the world, will have two effects: (1) the dynamic regions will have the opportunity to attract talented, high-quality labor to enhance the competitiveness of labor; (2) the "seclusion" of residents of poor areas will be eliminated so that they will have the opportunity to find better-paying jobs and better living conditions, contributing to the reduction of poverty in less-developed regions. To solve the overload of population in dynamic regions, investment policies should focus on rational urban development.

- Investment policy on transport infrastructure, communication links between key regions and neighboring areas

This policy can simultaneously achieve two objectives: 1) creating opportunities for key economic regions to expand outside markets, and 2) creating relationships between the neighboring regions and key areas through the provision and consumption of products, so the nearby areas can take advantage of key regions' economic growth. State capital should be invested in developing connecting transport systems rather than in building transportation infrastructure within the dynamic regions.

References

- Adams, R. (2002). Economic growth, inequality and poverty: Findings from a new data set. **World Bank policy research working paper 2972**. Washington, DC.
- Barro, R. (2000). Inequality and growth in a panel of countries. **Journal of Economic Growth**, 5, 5-32.
- Dao, H.T.M. (2014). Economic growth and human development: some current issues in Vietnam. **Journal of Human Studies**, 3, 4, 3-12, 12-22.
- Deininger, K. & Squire, L. (1996). A new data set measuring income inequality. **World Bank Economic Review**, 10 (3), 565–591.
- Dollar, D. & Kraay, A. (2000). **Growth is good for the poor**. Washington, DC: The World Bank Development Research Group.
- Fawaz, F., Rahnamamoghadam, M. and Valcarcel, V. (2014). **A refinement of the relationship between economic growth and income inequality in developing countries**. Retrieved January 20, 2016, from <http://mpraub.uni-muenchen.de/55268/MPRA Paper No. 55268>.
- General Statistical Office. (2013). **Vietnam household living standard survey 2012**. Hanoi: Statistical Publishing House.
- Kuznets, S. (1955). Economic growth and income inequality. **The American Economic Review**, XLV (1), 1-30.
- Lee, J. W. (2003). **Economic growth and human development in the Republic of Korea: 1945-1992**. Retrieved January 20, 2016, from http://hdr.undp.org/sites/default/files/jong-wha_lee.pdf.
- Lewis, W. A. (1954). Economic development with unlimited supplies of labour. **The Manchester School**. 22 (2), 139–191.
- Lin, B. (2003). Economic growth, income inequality, and poverty reduction in People's Republic of China. **Asian Development Review**. 20 (2), 105-24.
- McCaig, B., Benjamin, D. & Brandt, L. (2009). **The evolution of income inequality in Vietnam, 1993–2006**. Mimeo. Canberra: Australian National University.
- Ngo, L.T. & Nguyen, H.Q. (2013). Evidence of diminishing impact of economic growth on social advancement in Vietnam and suggestions for improvement. **Journal of Economics and Development**, 2013, 38-45.
- Nguyen, D.T. (2010). Rapid and sustainable development is the perspective throughout the socio-economic development strategy of our country. **Prime Minister's first message**. Retrieved July 16, 2010 from <http://ndh.vn/thong-diep-cua-thu-tuong-ve-phan-trien-nhanh-va-ben-vung-185460p4c145.news>

- Ogus Binatli, A. (2012). Growth and income inequality: a comparative analysis. **Economics Research International**, **2012**, 1-7.
- Perotti, R. (1996). Growth, income distribution, and democracy: what the data say. **Journal of Economic Growth**, **1**(2), 149-187.
- Ranis, G., Stewart, F., & Ramirez, A. (2000). Economic growth and human development. **World Development**, **28**(2), 197-219.
- Ravallion, M. (2001). Growth, inequality and poverty: Looking beyond the averages. **World Bank policy research working paper**, **2558**. Washington, D.C.: The World Bank.
- Son, H.H. & Kakwani, N. (2004). **Economic growth and poverty reduction: Initial conditions matter**. Working paper number 2, International Poverty Centre, UNDP.
- UNDP. (2010). **Human development report: The real wealth of nations: Pathways to human development**. New York: Oxford University Press.
- UNDP. (2015). **Human development report: work for human development**. New York: Oxford University Press.
- Vietnamese Communist Party. (2001). **Presentation of the Central Committee, eighth tenure, to the ninth**. Hanoi: National Party Congress.
- Vietnam Ministry of Planning and Investment. (2010). **Vietnam: 2/3 of the way achieving the Millennium Development Goals and towards 2015**. Hanoi: Ministry of Planning and Investment.
- World Bank. (2012). **Vietnam poverty assessment: Well begun, not yet done - Vietnam's remarkable progress on poverty reduction and the emerging challenges**. Hanoi: World Bank.