
EVALUATION OF INCOME INEQUALITY IN VIETNAM: TRENDS, DISPARITIES, AND POLICY IMPLICATIONS



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<http://doi.org/10.35409/IJBMER.2026.3793>

Received: 16 May 2026/ Published: 25 June 2026

ABSTRACT

This study examines income inequality in Vietnam from 2002 to 2025 using the Gini coefficient and the Population-Weighted Coefficient of Variation (PWCV), with a focus on disparities across urban and rural areas, regions, and ethnic groups. The findings show that inequality increased sharply during 2002–2010 due to geographically concentrated industrialization and WTO integration. It remained relatively high but stable during 2011–2019, supported by rural development and sustainable poverty reduction programs. From 2020 onward, inequality temporarily declined because of the COVID-19 pandemic and social protection measures, including Resolution No. 42/NQ-CP. Although the urban–rural income gap narrowed, inequality within rural and disadvantaged areas remained substantial, while poverty among ethnic minorities declined significantly. During 2026–2030, the Gini coefficient may rise if the benefits of economic growth are not distributed more equitably. The study recommends expanding green finance and Fintech access for low-income groups, investing in infrastructure in remote areas, and strengthening ethnic minority support programs to promote inclusive and sustainable growth.

Keywords: Income Inequality; Vietnam; Gini Coefficient; Covid-19; Inclusive Growth.

1. INTRODUCTION

In the context of globalization and industrialization, income inequality has become an increasingly important concern for researchers and policymakers. As societies develop, social equity requires not only economic growth but also a more equitable distribution of its benefits across population groups to ensure social stability and sustainable development. International studies have identified income inequality as a major source of social instability, weakened social cohesion, and slower long-term economic growth (Qureshi, 2023). Income inequality refers to disparities in income distribution and is commonly measured using indicators such as the Gini coefficient, Atkinson index, Theil index, and Population-Weighted Coefficient of Variation (PWCV). Globally, the COVID-19 pandemic intensified inequality: billionaire wealth increased by USD 1.9 trillion in 2020 and USD 1.6 trillion in 2021, while low-income groups were disproportionately affected by job losses and declining earnings.

Vietnam has emerged as a leading lower-middle-income developing country in its commitment to rapid and sustainable poverty reduction (UNDP, 2023). Despite remarkable achievements in economic growth and poverty reduction since the Đổi Mới reforms, income inequality remains a major challenge. The average income of the poorest 40% of the population

increased by 9% annually, among the highest rates worldwide (World Bank, 2022). Nevertheless, the gap between this group and the ultra-wealthy has continued to widen, with Vietnam ranking among the countries experiencing the fastest growth in the ultra-high-net-worth population during 2012–2020 (Wealth-X, 2021).

The COVID-19 pandemic further exposed these disparities. Low-skilled, informal, and rural workers experienced substantial income losses, whereas highly skilled workers were less affected because of their greater ability to work remotely (Dang Thi To Nhu & Dang Thi Hong Dan, 2021). Regional disparities were also pronounced. The Southeast recorded the highest income levels but relatively lower inequality, while the Central Highlands and Northern Midlands and Mountainous Areas experienced greater income disparities.

This study provides an in-depth examination of income inequality in Vietnam across different periods, drawing on data on per capita income, the Gini coefficient, and the PWCV. It compares inequality across urban and rural areas, economic regions, and ethnic groups. Based on this analysis, the study develops projections for income inequality in Vietnam during 2026–2030 and proposes policy implications for reducing disparities while promoting inclusive growth.

2. DATA AND METHODOLOGY

This study employs a descriptive and comparative research approach based on secondary data. The main data sources include publications of Vietnam's General Statistics Office and the Statistics Office under the Ministry of Finance, particularly the Vietnam Household Living Standards Surveys, together with poverty and equity assessments published by the World Bank and reports from Oxfam and the OECD.

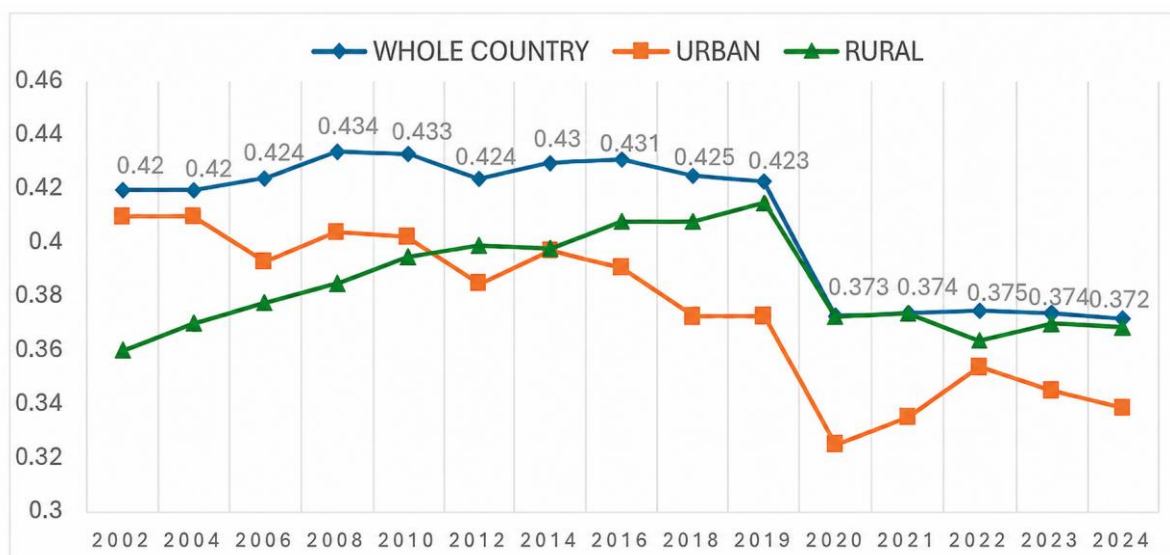
Income inequality is assessed using three complementary indicators. The first is the Gini coefficient, which measures inequality in income distribution on a scale from 0, representing perfect equality, to 1, representing perfect inequality. A coefficient above 0.4 is commonly interpreted as indicating a relatively high or potentially concerning level of inequality. The second indicator is the ratio of the average income of the richest 20% of households to that of the poorest 20%, which captures the income gap between the two ends of the distribution. The third is the population-weighted coefficient of variation (PWCV), which measures income dispersion across subnational units within economic regions while accounting for differences in population size.

To examine changes in the pattern of income inequality over time, the study divides the analysis into three periods: 2002–2010, 2011–2019, representing the pre-COVID-19 period, and 2020 to the present.

3. EVALUATION OF INCOME INEQUALITY IN VIETNAM BY PERIOD

Income inequality represents a major challenge in the process of socioeconomic development. After several decades of Đổi Mới, Vietnam has achieved impressive economic growth and substantial poverty reduction. These achievements, however, have been accompanied by widening income gaps among population groups. The Gini coefficient—an indicator of income distribution ranging from 0, representing perfect equality, to 1, representing perfect inequality—fluctuated considerably in Vietnam during 2006–2024, ranging from 0.373 to 0.434 (Figure 1). This pattern reflects an initial increase in inequality followed by a gradual decline in more recent years.

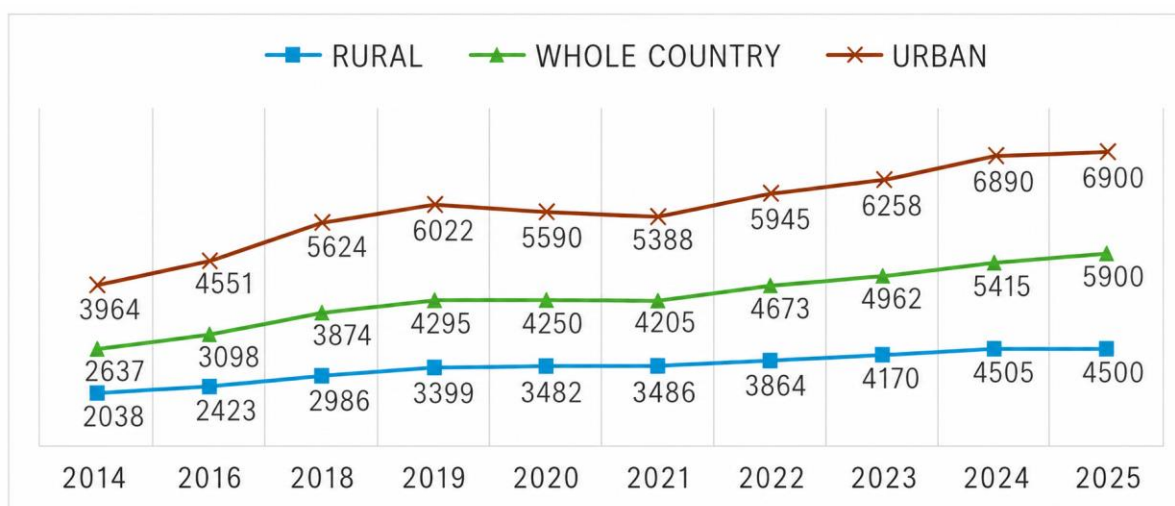
Figure 1. Pattern of the Gini coefficient in Vietnam, 2002–2024



(Source: Statistics Office, Ministry of Finance, 2025)

Although the Gini coefficient has moderated, per-capita income shows a clearly rising trend (Figure 2).

Figure 2. Monthly income per capita by urban and rural area, 2014–2025 (thousand VND)



(Source: Statistics Office, Ministry of Finance, 2025;
Vietnam Household Living Standards Survey 2025)

Using the PWCV, the study measured the average degree of income inequality by region (Table 1). The results show that average regional PWCV values ranged from 0.11 to 0.13, indicating only modest differences across regions. The Mekong River Delta recorded the highest average PWCV value, at 0.13, suggesting relatively greater income inequality. The North Central and Central Coastal Region, Red River Delta, and Southeast recorded the lowest values, all at 0.11.

The absolute difference between the highest and lowest regional values was only 0.02, implying that interregional variation was limited. One possible explanation is that each region contains a mixture of urban and rural areas, which reduces the observable differences in overall regional inequality.

Table 1. Income inequality across Vietnam's economic regions, by PWCV, 2025

Region	Average PWCV
North Central and Central Coast	0.11
Red River Delta	0.11
South East	0.11
Central Highlands	0.12
Northern Midlands and Mountains	0.12
Mekong River Delta	0.13

Source: Authors' calculations and compilation.

These movements reflect changes in economic structure and socio-economic policy in each period, and raise concerns that the gains of development have not been evenly distributed and that inequality may impede sustainable-development goals. Recognising the state of income inequality and the causes of its fluctuations can therefore inform policy aimed at inclusive and sustainable growth. To clarify the trends and their drivers, the national Gini coefficient is examined across three sub-periods: 2002–2010; 2011–2019; and 2020–present.

3.1. The 2002–2010 period: Rapid growth and rising income inequality

During Vietnam's transition from a centrally planned economy to a socialist-oriented market economy, the country achieved impressive growth, with annual GDP growth averaging more than 7% during 2002–2010. This rapid expansion, however, was accompanied by rising income inequality.

3.1.1. Gini coefficient during the period

The Gini coefficient increased from 0.418 in 2002 to 0.433 in 2010, highlighting a significant challenge to social equity amid rapid economic development. Although the numerical increase was relatively modest, a Gini coefficient above 0.4 is often regarded as an alarming level of inequality, with adverse social and economic consequences, including weaker GDP growth and reduced social cohesion (OECD, 2015). This increase was consistent with the widening income gap between the lowest- and highest-income groups. According to Nguyen and Luong (2013), the ratio of the average income of the richest 20% of households to that of the poorest 20% rose from 8.1 times in 2002 to 9.2 times in 2010, reflecting the stronger gains accruing to higher-income groups under market-oriented development.

This period also coincided with Vietnam's accession to the World Trade Organization in 2007, which accelerated trade integration and foreign direct investment inflows. Although accession created new growth opportunities, it also widened income disparities because the benefits of integration were concentrated in favored sectors and locations, including FDI enterprises,

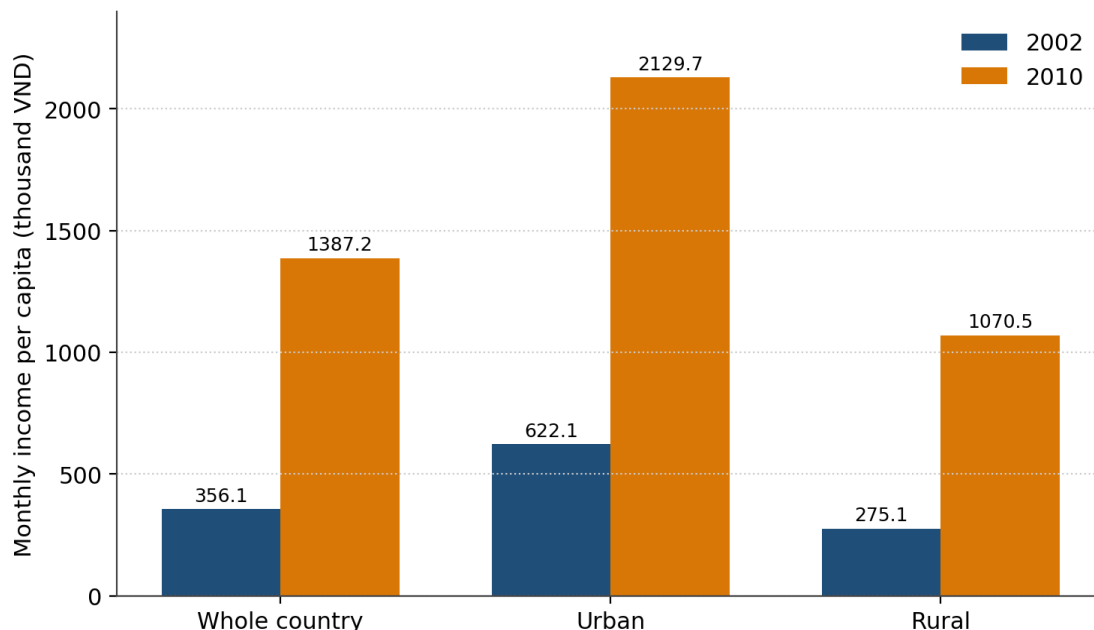
manufacturing industries, and major urban centers

3.1.2. Urban–rural income inequality

During 2002–2010, the urban–rural income gap initially widened before showing a slight narrowing toward the end of the period. Data from the General Statistics Office (2011) indicate that the ratio between the highest- and lowest-income groups declined slightly in urban areas, from 8.0 to 7.9, but increased considerably in rural areas, from 6.0 to 7.5 (Figure 3). This pattern resulted from a combination of economic and social factors. High economic growth—averaging approximately 7% per year during the first decade of the 2000s—was driven largely by industrialization, urbanization, and international integration, but the gains were unevenly distributed. Urban areas and highly skilled workers benefited more from industrialization, whereas many rural and low-skilled workers continued to earn relatively low incomes.

Although the Government implemented poverty reduction programs and invested in rural infrastructure, regional income disparities persisted because development remained uneven. Dynamic urban centers such as Hanoi, Ho Chi Minh City, and the Southeast expanded rapidly, while rural and mountainous areas, including the Northwest and Central Highlands, grew more slowly, contributing to regional inequality (Nguyen Minh Phong, 2015). The urban–rural income gap was also associated with differences in education, skills, and employment opportunities between the two areas (Duong Chi Thien, 2014).

Figure 3. Comparison of national average per capita income and average per capita income by urban and rural area, 2002 and 2010



(Source: Statistics Office, Ministry of Finance, 2025)

Toward the end of the period, the New Rural Development policies, launched in 2009, began to produce results by improving infrastructure, roads, electricity, and clean-water access. Rural incomes consequently grew by approximately 12% per year during 2008–2010, faster than in

previous years (Nguyen & Luong, 2013). Preferential credit programs for poor households implemented through the Vietnam Bank for Social Policies also contributed to higher incomes among poor rural households (Oxfam, 2017).

3.1.3. Income inequality across economic regions

Vietnam is divided into six major socio-economic regions: the Red River Delta; the Northern Midlands and Mountains; the North Central and Central Coast; the Central Highlands; the South East; and the Mekong River Delta. During 2002–2010, the Southeast, including Ho Chi Minh City, and the Red River Delta, including Hanoi, recorded the highest per capita incomes, whereas the Central Highlands and Northern mountainous areas ranked lowest. According to the General Statistics Office (2011), the gap between the highest- and lowest-income groups increased substantially in most regions, except the Southeast. Per capita income in the richest region, the Southeast, was 2.92 times that of the poorest region, the Northwest. This disparity reflected the concentration of industrial and service-sector investment in major cities and key economic zones, combined with inadequate infrastructure and public services in mountainous areas, which increased production and transport costs and constrained income growth (Tran Van Thach, 2023).

3.1.4. Income inequality by ethnicity

Ethnic minority groups account for approximately 14% of Vietnam's population and are concentrated mainly in the Northern mountainous areas and the Central Highlands. In 1998, ethnic minorities represented approximately 29% of the country's poor population. By 2010, their share had increased substantially to 47% of all poor people and 68% of the extremely poor. In the same year, 66.3% of ethnic minority people lived in poverty, compared with only 12.9% of the Kinh majority population (World Bank, 2012). This inequality reflected ethnic minorities' limited access to education, healthcare, infrastructure, and labor markets (Nguyen & Luong, 2013).

Overall, income inequality in Vietnam increased considerably during 2002–2010 despite rapid economic growth. The rise in the Gini coefficient from approximately 0.420 to 0.433 reflected a widening income gap between rich and poor groups. Urban–rural, regional, and ethnic inequalities also intensified, indicating that the gains from development were concentrated among favored groups and locations. The principal drivers included economic restructuring, policies that prioritized growth over distribution, international integration, and urbanization that was not accompanied by sufficiently timely social support. Identifying these factors provides a foundation for understanding the post-2010 period, when sustainable poverty reduction and social protection policies were expanded to curb further increases in inequality and promote more inclusive development.

3.2. The 2011–2019 period: Relative stability at a high level with minor fluctuations

Following the rapid growth and rising inequality of the previous period, Vietnam entered 2011–2019 with the objective of maintaining economic growth while pursuing sustainable poverty reduction. Average GDP growth was approximately 6.0–6.5% per year. The Government continued the National Target Program on New Rural Development, launched in 2009, and expanded the social protection system. From 2012 onward, the Government successively approved national target programs on sustainable poverty reduction for 2012–2015, 2016–2020, and 2021–2025. The process began with Prime Ministerial Decision No. 1489/QĐ-TTg, which aimed to

improve the living conditions of poor households and narrow differences in living standards across regions and population groups, with particular priority given to ethnic minorities and extremely disadvantaged communes. This policy environment supported income improvements among many population groups, especially those living in rural and disadvantaged areas. Nevertheless, income inequality, as measured by the Gini coefficient, remained high, underscoring persistent challenges to the inclusiveness of growth.

3.2.1. Gini coefficient during the period

Although it did not rise further, Vietnam's Gini coefficient during 2011–2019 stabilised at a high level, in the range of 0.423–0.431. This suggests that although substantial income gaps persisted, the upward trend in inequality was partly contained by poverty reduction and New Rural Development policies. However, despite the broad implementation of social and economic development programs, their effectiveness in reducing inequality remained limited. Income disparities continued across regions and, in particular, between urban and rural areas, reflecting the uneven distribution of the economic benefits generated by growth and keeping the Gini coefficient at a relatively high level (Oxfam, 2022).

3.2.2. Urban–rural income inequality

During 2011–2019, the difference in average per capita income between urban and rural areas gradually narrowed. The urban-to-rural per capita income ratio fell from approximately 2.0 in 2010 to 1.77 in 2019. At the same time, the ratio of the highest- to lowest-income groups in urban areas decreased from 7.9 times in 2011 to 7.2 times in 2019, whereas the corresponding rural ratio rose sharply from 7.5 to 9.6 times. These changes indicate that income inequality increased within rural areas while declining within urban areas. The urban Gini coefficient fell from 0.402 in 2010 to 0.373 in 2019, while the rural coefficient increased from 0.395 to 0.415.

Table 2. Comparison of average per capita income, 2010–2019: national, urban, and rural areas

Year	Indicator	Whole country	Urban	Rural
2010	Monthly income per capita (thousand VND)	1,387	2,130	1,070
	Highest-to-lowest income-group ratio (times)	9.2	7.9	7.5
	Gini coefficient	0.433	0.402	0.395
2012	Monthly income per capita (thousand VND)	2,000	2,989	1,579
	Highest-to-lowest income-group ratio (times)	9.4	7.1	8.0
	Gini coefficient	0.424	0.385	0.399
2014	Monthly income per capita (thousand VND)	2,637	3,964	2,038
	Highest-to-lowest income-group ratio (times)	9.7	7.4	8.2
	Gini coefficient	0.430	0.400	0.400

Year	Indicator	Whole country	Urban	Rural
2016	Monthly income per capita (thousand VND)	3,098	4,551	2,423
	Highest-to-lowest income-group ratio (times)	9.8	7.3	8.5
	Gini coefficient	0.431	0.391	0.408
2018	Monthly income per capita (thousand VND)	3,874	5,624	2,986
	Highest-to-lowest income-group ratio (times)	10.0	6.9	8.6
	Gini coefficient	0.425	0.373	0.408
2019	Monthly income per capita (thousand VND)	4,295	6,022	3,399
	Highest-to-lowest income-group ratio (times)	10.2	7.2	9.6
	Gini coefficient	0.423	0.373	0.415

(Source: Statistics Office, Ministry of Finance, 2025)

The narrowing urban–rural income gap can be attributed to several factors. First, the Government accelerated implementation of the New Rural Development Program through substantial investment in transport infrastructure, electricity, and clean water. These investments reduced the cost of transporting agricultural products, improved market access, and increased the productivity and income of farming households (World Bank, 2022). Second, policy credit was expanded through the Vietnam Bank for Social Policies, enabling poor households and rural workers to diversify their livelihoods and gain access to investment capital for production, livestock farming, and small businesses. This contributed to higher incomes and reduced the gap with urban areas (Oxfam, 2017). Third, many local authorities provided training in agricultural techniques, handicrafts, and non-agricultural occupations aligned with business demand.

Despite these improvements, inequality within rural areas increased. Although the New Rural Development Program and policy credit improved infrastructure and livelihoods, the income gap between the highest- and lowest-income rural groups widened. This was largely attributable to unequal production capacity and access to resources: households with larger production scales or participation in agricultural value chains benefited more, while small households lacking capital and technical knowledge were left behind (World Bank, 2022).

3.2.3. Income inequality across economic regions

During 2011–2019, the South East and the Red River Delta continued to lead in per-capita income, while the northern mountains and the Central Highlands ranked last. The pattern of inequality, however, was the reverse: the South East and the Red River Delta had the lowest inequality nationally and a declining trend (Gini of 0.375 and 0.387 in 2019), whereas the northern mountains and the Central Highlands trended upward and were the highest nationally in 2019 (Gini of 0.438 and 0.443).

3.2.4. Income inequality by ethnicity

In 2010, the poverty rate among the Kinh population was approximately 9% and subsequently declined sharply, approaching 0% by 2020. By contrast, poverty among ethnic minority communities remained high, at approximately 27% in 2020. Nevertheless, the absolute poverty-rate gap between the two groups narrowed substantially during the period, from 47.4 percentage points in 2010 to 26 percentage points in 2020.

This improvement reflects relatively strong poverty reduction among ethnic minorities, whose poverty rate declined from approximately 57% in 2010 to a considerably lower level one decade later (World Bank, 2022).

In summary, income inequality in Vietnam remained relatively stable at a high level during 2011–2019. Although urban–rural, regional, and ethnic gaps narrowed in relative terms, substantial absolute differences persisted. Sustainable poverty reduction policies, New Rural Development, preferential credit, and vocational training contributed to containing further increases in inequality.

3.3. The period from 2020 to present: A marked decline and subsequent stability at a lower level

The period from 2020 to the present has been highly volatile for Vietnam's economy and society. It began with the severe shock of the COVID-19 pandemic and was followed by a rapid recovery amid continuing global challenges. The pandemic affected all areas of socioeconomic activity and reduced Vietnam's GDP growth to only 2.91% in 2020, the lowest rate in more than three decades. The labor market was severely disrupted, with millions of workers losing employment or experiencing lower incomes, particularly in the informal sector and among low-skilled workers. Although the economy gradually recovered during 2021–2022, Vietnam continued to face global inflation, supply-chain disruptions, and the prolonged consequences of the pandemic.

In this context, the government implemented a range of fiscal and monetary support packages to stabilize the macroeconomy and protect vulnerable groups. A particularly important measure was Resolution No. 42/NQ-CP of 2020 on assistance for people facing hardship because of the pandemic. Programs supporting production recovery, digital transformation, and workforce quality were also introduced to promote inclusive growth. These developments provided the context for changes in income inequality during the post-pandemic period.

3.3.1. Gini coefficient during the period

The period from 2020 onward witnessed significant changes in income inequality, particularly because of the COVID-19 pandemic. According to the World Bank's latest assessment, Vietnam's income Gini coefficient declined markedly from 0.423 in 2019 to approximately 0.373 in 2020 and remained relatively stable in subsequent years (World Bank, 2022). This decline was largely attributable to the economic effects of the pandemic, which reduced the incomes of higher-income groups through disruptions to production, business activities, and service-sector earnings. Their incomes consequently fell relatively more than those of lower-income groups.

3.3.2. Urban–rural income inequality

During this period, the urban–rural income gap continued to narrow, with the ratio of urban to rural per capita income falling from 1.61 in 2020 to 1.50 in 2023. A major reason was that urban areas were more severely affected by the pandemic, particularly service, trade, and tourism activities, which are important income sources for urban residents. Rural areas, by contrast, depended more heavily on subsistence agriculture and were less directly exposed to international economic shocks (World Bank, 2022).

Social protection programs also played an important role. Resolution No. 42 and the Government’s VND 62 trillion support package in 2020 targeted workers who had lost their jobs and small household businesses, many of which were located in urban areas. These measures helped prevent the living standards of low-income urban groups from declining as sharply as those of higher-income groups.

Following their sharp decline in 2020, urban and rural Gini coefficients moved in slightly different directions. Urban inequality increased modestly after the pandemic, while rural inequality changed relatively little. Urban areas, which had been more severely affected, also recovered more rapidly, resulting in renewed differentiation in post-pandemic income levels and distribution.

Table 3. Comparison of average per capita income, 2020–2024: national, urban, and rural areas

Year	Indicator	Whole country	Urban	Rural
2020	Monthly income per capita (thousand VND)	4,250	5,590	3,482
	Highest-to-lowest income-group ratio (times)	8.1	5.4	8.0
	Gini coefficient	0.373	0.325	0.373
2021	Monthly income per capita (thousand VND)	4,205	5,388	3,486
	Highest-to-lowest income-group ratio (times)	8.0	5.4	8.0
	Gini coefficient	0.374	0.335	0.374
2022	Monthly income per capita (thousand VND)	4,673	5,945	3,864
	Highest-to-lowest income-group ratio (times)	7.6	6.1	7.2
	Gini coefficient	0.375	0.354	0.364
2023	Monthly income per capita (thousand VND)	4,962	6,260	4,169
	Highest-to-lowest income-group ratio (times)	7.5	5.8	7.3
	Gini coefficient	0.374	0.345	0.370
2024	Monthly income per capita (thousand VND)	5,415	6,890	4,505
	Highest-to-lowest income-group ratio (times)	7.4	5.8	7.2
	Gini coefficient	0.372	0.339	0.369

(Source: Statistics Office, Ministry of Finance, 2025)

3.3.3. Income inequality across economic regions

The period from 2020 onward also witnessed significant changes in income inequality across Vietnam's economic regions. Although the ranking of regions by income remained largely unchanged, areas heavily dependent on services and manufacturing, such as the Southeast and Red River Delta, experienced greater pandemic-related difficulties and sharper income declines than the Central Highlands and Northern mountainous areas. Consequently, regional income gaps narrowed.

The ratio between the highest-income regions—the Southeast and Red River Delta—and the lowest-income regions—the Central Highlands and Northern mountainous areas—declined from approximately 2.0 in 2020 to about 1.78 in 2023. The Gini coefficient increased slightly in higher-income regions but remained relatively stable in lower-income regions.

Despite this narrowing, regional income differences remained substantial. The Northern mountainous areas, North Central Region, and Central Highlands continued to record the lowest incomes because of limited access to resources, public services, and economic opportunities (World Bank, 2022). Although public investment in infrastructure and local economic support programs had been implemented, these measures were not sufficiently strong or comprehensive to generate a clear transformation in the economic structures of disadvantaged regions.

3.3.4. Income inequality by ethnicity

According to the National Statistics Office, Ministry of Finance (2023), the multidimensional poverty rate in ethnic minority areas was 23.7% in 2022, representing a substantial improvement from 36.5% in 2016. This was a decline of 12.8 percentage points over six years, equivalent to an average annual reduction of approximately 2.13 percentage points.

By contrast, the Kinh and Hoa groups recorded a much lower multidimensional poverty rate of only 2% in 2022, down 2.8 percentage points from 2016, or an average annual decline of 0.47 percentage points. These figures demonstrate that a substantial poverty gap between ethnic groups persisted despite nationwide progress in poverty reduction.

Research also shows that ethnic income inequality is closely associated with unequal access to public services, education, healthcare, and infrastructure (World Bank, 2022). The Government has introduced several national target programs for ethnic minority and mountainous areas, including the National Target Program for Socioeconomic Development in Ethnic Minority and Mountainous Areas for 2021–2030, Phase I: 2021–2025, approved under Decision No. 1719/QĐ-TTg dated October 14, 2021. Nevertheless, program coverage and practical effectiveness remain limited, particularly in generating sustainable income growth and long-term improvements in living standards.

Overall, the period from 2020 onward brought important changes in the structure of income inequality in Vietnam, especially because of the COVID-19 pandemic. One explanation for greater inequality during parts of this period is that highly skilled and educated workers were able to work remotely and were therefore less affected, or in some cases even benefited. Low-skilled workers with limited digital capabilities faced greater disadvantages, widening income gaps. Labor-market disruptions also increased unemployment and underemployment, especially in urban areas and service industries, further reducing the incomes of vulnerable groups (Pham Thi Thanh Binh, 2022; Do Thi Thanh Tam, 2022). The Government implemented a range of social protection packages

to mitigate these effects, contributing to a slight decline in inequality during 2020–2021. However, this improvement largely resulted from temporary emergency measures rather than sustainable structural reforms. Income inequality in Vietnam has increasingly shifted from an urban–rural divide toward inequality within rural areas. Although overall inequality remains moderate, large disparities across regions, labor groups, and genders continue to require attention. The short-term decline in the Gini coefficient was unusual and does not necessarily indicate a lasting improvement. As the economy recovered, income inequality showed signs of increasing again, suggesting that deeper structural causes had not been fully addressed. Regional and ethnic inequalities therefore remain important policy challenges. To ensure sustainable and inclusive development, social support and public investment should be expanded and more strongly targeted toward the most disadvantaged regions and population groups.

4. INCOME INEQUALITY OUTLOOK FOR 2026–2030 AND POLICY IMPLICATIONS

Given that the Gini coefficient has remained close to 0.37 in recent years, it may increase moderately to approximately 0.38–0.40 during 2026–2030 if FDI-driven growth remains strong—alongside projected per capita GDP of approximately USD 4,711, placing Vietnam among the top five ASEAN-6 economies—but the benefits continue to be concentrated in major cities without effective mechanisms for distribution to remote areas and ethnic minority communities. Conversely, if green finance and digital finance policies are implemented in a coordinated manner, the Gini coefficient could decline to approximately 0.35 as low-income groups, especially in rural areas, gain wider access to credit and financial services.

Regarding digital finance, ASEAN-based studies suggest that Fintech development may reduce the Gini coefficient by 2–5%, based on Bayesian analysis of data from 2015–2022. Vietnam is among the regional leaders in smartphone-application use and ranks within the global top seven. To realize these benefits, however, the cost of internet access and digital devices must be reduced in disadvantaged areas. Otherwise, a new divide may emerge between digitally skilled groups and low-skilled workers who lack the conditions needed to participate in the digital economy.

At the same time, the development of green finance under the Power Development Plan VIII (PDP8) is expected to support the renewable-energy transition, including through green-bond issuance by state-owned enterprises. This transition may create new employment in sustainable agriculture and help narrow regional Gini gaps, as observed in Malaysia. Nevertheless, green-finance benefits may be concentrated among large enterprises unless direct support programs are provided for small producers in the Central Highlands and Northern mountainous areas.

To use these trends in support of inclusive growth, Vietnam should integrate Fintech applications into ethnic minority support programs such as Decision No. 1719/QĐ-TTg, prioritize green-bond issuance for solar-energy projects in the Central Highlands, and establish a quarterly Gini-monitoring system through the National Statistics Office to enable timely adjustments to policies under PDP8. With these strategic measures, Vietnam could not only contain income inequality but also become an ASEAN leader in a sustainable development model that combines economic growth with social equity over the coming decade.

5. CONCLUSION

Income inequality in Vietnam followed a complex trajectory between 2002 and 2025, reflecting the country's transition from geographically concentrated industrialisation toward more inclusive growth, while substantial structural challenges remained. During 2002–2010, the Gini coefficient increased from 0.420 to 0.433 as the benefits of WTO integration and urbanisation were concentrated in major cities and the Southeast, widening urban–rural, regional, and ethnic disparities. During 2011–2019, inequality remained high but relatively stable at 0.423–0.431. New Rural Development, policy credit, and sustainable poverty-reduction programmes helped narrow the urban–rural income ratio from approximately 2.0 to 1.77, although inequality within rural areas continued to increase.

From 2020 onward, the Gini coefficient temporarily declined to 0.372–0.375 because of the uneven effects of COVID-19 and social protection measures, including Resolution No. 42/NQ-CP. However, the subsequent recovery remained uneven, and substantial regional and ethnic disparities persisted. In 2022, the multidimensional poverty rate among ethnic minorities was 23.7%, compared with only 2% among the Kinh and Hoa population. Moreover, regional PWCV values of 0.11–0.13 may conceal considerable inequality within individual regions.

Reducing inequality therefore requires sustained investment in digital and transport infrastructure in disadvantaged areas, expanded digital and non-agricultural vocational training, preferential credit for vulnerable groups, and stronger redistribution through progressive taxation and targeted social programmes. These measures are essential for promoting inclusive growth and supporting Vietnam's transition toward a more equitable and sustainable society.

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