

報告番号	※	第	号
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## 主 論 文 の 要 旨

論文題目

Dynamics of Poverty, Growth and Inequality: A Case of Vietnam

(貧困、成長、不平等の変遷過程に関する研究－ベトナムの事例－)

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## 論 文 内 容 の 要 旨

This dissertation examines dynamics of poverty, growth and inequality, with a specific focus on labor mobility. While a recurring point in discussions on development is if the main focus of development plans should be placed on growth, or poverty, and/or on inequality, one-country studies comprehensively investigating these issues are still scarce. Thus, this dissertation fills this gap in the literature by taking Vietnam as a case study, as Vietnam has achieved higher inclusive economic growth with significant poverty reduction over the past three decades.

Chapter 2 decomposes dynamic welfare change into growth effect (GE: change in the mode of expenditure of the population) and distribution effect (DE: change in the shape of distribution) from a macro perspective. Decompositions are applied to the distributional change of aggregated expenditure of the bottom 40 percent into GE and DE. Conventional discussions have almost always concluded that economic growth is good for the poor, but have discussed less the contribution of GE in the comparison to DE. Aggregated expenditure is approximated by logarithm normal (lognormal) distribution to calculate rigorous probability functions using VLSS/VHLSS during the period of 1993-2014. The two types of decompositions are conducted based on the lines in each decile of the bottom 40 percent by area in each survey year. The results suggest that the increase in expenditure has been largely induced by GE. Those who situated in lower quantiles are more elastic to GE and lesser elastic to DE. Inequality, measured by DE, negatively affects the living standards of the bottom 10 and 20 percent according to the area and year, but the magnitude is not great (sufficiently offset by GE). Consistent trends of GE and DE over the time period were not observed. These results support prioritizing growth-enhancing policies for rapid poverty reduction while reinforcing a time-consuming redistribution system.

Contrary to Chapter 2, Chapter 3 verifies dynamic welfare change of the bottom 40 percent in a micro dimension by employing quantile regression with the same time span. This chapter investigates urban and rural inequality using Blinder-Oaxaca decomposition (regression-based decomposition) and Theil T decomposition, too. Past studies have attributed the source of inequality across quantile to the difference in economic conditions by education and ethnicity, among others, during the 1990s and 1992-2006. The urban-rural gap is mainly explained by years of education, job sector, remittances, and ethnicity of the head of household. Education has been the strong explanatory factor explaining the welfare of people in Vietnam measured by lognormal real per capita expenditure during the period of 1993-2014. The effect has been getting larger as time goes by. Similarly, service sector jobs have provided higher earning opportunities, although the relative importance of the industrial sector has been getting small. At least in 1994 and 2004, the role of foreign remittances was significant. However, the effect became marginal as of 2014. On the other hand, the relationship of domestic remittances reversed compared to the foreign remittances. Ethnic minorities have been left behind and not received the benefits of economic growth. The gap of living standards between the *Kinh* majority and other ethnic minority groups has been diverging. As for the inequality, overall, inter-area and inter-regional inequalities were widening in Vietnam during the period of 1993-2004, but were converging from 2004 to 2014. Within areas/regions, inequalities were converging from 1993 to 2004 and then diverging from 2004 to 2014.

Chapter 4 discusses the reasons for the economic growth and inter-sectoral wage inequality in Vietnam from the perspective of dynamic labor mobility during the period of 2004-2014. To analyze dynamic labor mobility, this chapter revisits the labor surplus theory under the dualistic economy. According to the analytical results, notably with the comparison between the marginal productivity of labor and the real wage rate in the agricultural sector, the marginal productivity of labor is still greater than the real wage rate in the sector. That is, the marginal productivity of labor is still 49.1 percent of the real wage rate as of 2014. Thus, it is plausible that the Vietnamese economy did not reach the turning point by the end of the decade, implying the existence of vast amounts of cheap labor in the agricultural sector and a continuously diverging real wage rate gap between agricultural and non-agricultural sectors. Vietnam's growth would be sustained by the development of the non-agricultural sector with the absorption of cheap labor supplied by the agricultural sector.

Given the findings of Chapters 2, 3 and 4, Chapter 5 addresses the following questions: (i) what determines individual urban migration decision in Vietnam? There are many studies that deal with migration determinants. However, those studies have not explicitly investigated the determinants of migration from the perspective of intergenerational linkage – the children's migration decisions in a relationship with the parents' socio-economic status (job sector). According to the probit estimation results, the propensity of migration is higher for relatively young and the people with higher educational attainment. Having said that, those children, whose parents work in

the agriculture sector; tend to opt most often to migration, which contradicts to the original hypothesis that the mobility of poorer people is low (those households where the heads of households are working in the agricultural sector). It is implied that migration decisions in Vietnam would be triggered by economic incentives such as income differentials between urban and rural areas.

Chapter 6 then concludes the dissertation with policy implications based on the analytical results of the four chapters. Economic growth has been the dominant contributor to the poverty reduction in Vietnam, which has led to monumental poverty reduction from around 60 percent to less than 5 percent (headcount ratio) over the past two decades. This supports growth-enhancing policies for poverty reduction while strengthening time-consuming redistribution systems on the fiscal front. Having said that, there is a marginalized group excluded from the fruits of economic growth, implying the need for supporting policies for the vulnerable in the forms of social protection, subsidy, and conditional cash transfer. Determinants of poverty and urban-rural inequality in Vietnam have been consistently explained by the years of education and job sector of the household head, among others, during the period of 1993-2014. Hence the authorities should maintain their budgets for educational for poorer people. Labor mobility in the form of agriculture to non-agriculture (particularly service sector) and rural-urban migration increases living standards of people in general. In this regard, policy should support the smooth movement of people, notably from lower productive sector/area to higher productive sector/area for further economic growth and poverty reduction. While the so-called *ho khau* system in Vietnam, which is similar to the Chinese *hukou* system of restricting where people can live, was abolished in 2006, Vietnamese migrants in the urban area are still reported to have been discriminated on in terms of access to public services, such as education and health.