

# **The Implementation of Economic Function in Vietnamese Families at Present Time**

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## **Abstract**

The family is a special social institution as families perform basic functions for survival and development of society: economic function, reproductive function, educational function and function of taking care of elderly people. There is no known society in which the family doesn't play a major economic role. Vietnam is not an exception. Vietnamese families implement economic function very well. Firstly, households' income has had a rising and stable tendency. Secondly, the average expense of Vietnamese households was significantly improved in recent years. This demonstrates that households' living standard has been improved better.

**Keywords:** implementation, economic, function, Vietnamese, families, income, expenditure.

## **1. Introduction**

Up to now, the family has always been regarded as a unit of economic production and consumption of society (Thi 1996). There is no known society in which the family doesn't play a major economic role (Smelser 1994, Chuong 2000). According to Marxism - Leninism, people born and raised in the family first of all need something to eat, to wear for survival and development, need homes or shelters for shade, need of daily supplies, medicine to treat the sick, and so on. It is process of economic organization that the couple must overcome by their own labor to build. They feed not only themselves but also nurture and care their children in early childhood and the responsibility for elderly parents who are no longer working capacity. Speaking to economic function of family, we must first talk about how to ensure that all members have prosperous life; that means they have enough food, accommodation, clothes - the essential needs of human. Of course, the needs of people are also increasingly richer, more

enhanced by the process of social development. They are toward delicious meals, well-dressed clothes, fully furnished home, luxury transportation of person, fully cultural activities, rest and leisure. So parents need organizing economic activities suitably in order to increase family income from their professions; mobilizing and using labor of each member of family rationally; arranging highly effective labor in family; including attention to the education of feeling and attitude of labor for children and other family members to promote self-discipline, creativity in working to make the family economy more and more abundant. Together with labor productivity generate high income of all members; family must also be concentrated on spending. There should be a reasonable spending plan.

In this article, we will examine the implementation of economic function in Vietnamese families through out two aspects: income and expenditures of Vietnamese families.

## **2. Methodology**

This is not a field study, but an attempt at a synthesis of a number of sources, secondary as well as primary. In other words, it relies on the result of a lot of research; it is to a large extent a survey of existing literature. That means; I collect, interpret and evaluate different studies' results, which were applied by different researchers and used here as my resources.

Some documental sources related to article:

- The statistics from the statistical agencies, especially from General Statistical Office; General Office for Population Family Planning. It provides an overview statistics about Vietnamese families. The main statistics to write this article is from result of the survey on Household living standard which has been conducted regularly by the General Statistical Office every two years from 2002 to 2008. The focus of the survey has been household income and expenditures; however other important aspects of living standards such as education, health or employment have been included in various rounds.
- Books, journals in sociology; especially from the sociology of family, sociology of gender.

## **3. Results**

### **3.1 Household Income in Vietnam**

#### **3.1.1. Average Household Income**

The General Statistics Office (2008) defines household income as the total amount of money received (usually monthly), including salary, revenues from agriculture, forestry, aquaculture, industry, construction, trade, services, etc.

In 2008, monthly household income per head was 995.2 thousand dong, 2.8 times of that in 2002 (at 356.1 thousand), and 1.6 times of that in 2006. When comparing the growth rate of per capita income over a period of 2 years, we can see that the rate of later period is higher than the previous. In 2006 - 2008, monthly per capita income increased by 358.7 thousand, higher than the 152.1 thousand increase in 2004 - 2006 and the 128.3 thousand increase in 2002 - 2004.

Monthly per capita income increase is attributed to the following factors. Firstly, Vietnam has shifted its economic structure to industrialisation with high and stable growth rate. Besides it,

the structure of labor changes positively. The proportion of labor in industry, construction and services increase while the proportion of labor in agriculture decrease. Secondly, Vietnam has always created new jobs over the past years. Employment rate is quite high and increases each year. In July 2007, a total of 45.6 million people were employed, up 10 million compared with 1997, showing the yearly increase with the fastest in 2006 (Ministry of Labor, Invalids and Social Affairs 2009). Accordingly, unemployment rate across the country decreased gradually from 5.31% in 2005 to 4.64% in 2007 and to 4.65% in 2008 (Statistical Year book 2010). Thirdly, in the early 2008, the minimum monthly wages for public sector workers increased from 450 thousand to 540 thousand. Wages for employers in businesses also risen, leading to an increase in public money. Moreover, production in this period kept rising. In 2008, agricultural production enjoyed a record increase, higher than 2006 and 2007. Rice yield<sup>1</sup> saw the biggest increase in 11 years (Statistical Year book 2008). Prices of agricultural and aquatic products such as paddy rice, live pig, coffee, rubber, cashew, shrimp, fish increased considerably compared with 2006.

Incomes in both rural and urban areas increase each year. Monthly income per head in 2008 in urban areas was 1605.2 thousand, much higher than in rural areas at 762.2 thousand dong. Monthly income per head in urban areas in 2002, 2004, 2006, 2008 was 2.26, 2.16, 2.09, 2.11 times as high as in rural areas respectively

Monthly income per head of the poorest households<sup>2</sup> (quintile 1) in 2008 was 275 thousand dong, increasing by 49.2%; that of the richest group (quintile 5) was 2,458.2 thousand dong, increasing by 59.4% compared to 2006. The difference of monthly income per head between quintile 5 and quintile 1 in 2006 was 8.4 times, 8.9 times in 2008, increasing in comparison with 2006. Therefore, the gap between wealth and poverty in Vietnam has had an increasing trend. In other words, the inequality and social stratification has been bigger and bigger. This requires Vietnam's more effort to shorten this gap.

The difference of income between quintile 5 and quintile 1 in urban areas tends to increase from 8% in 2002 to 8.1% in 2004, 8.2% in 2006 to 8.3% in 2008. Meanwhile, the difference between quintile 5 and quintile 1 in rural areas is lower than in urban areas, only at the rate of 6.0; 6.4; 6.5 and 6.9 times in 2002, 2004, 2006 and 2008, respectively. If considered in 8 geographical areas, the difference of income between quintile 5 and quintile 1 in 2008 in the Southeast area is highest (the difference rate of 8.7 times), and the lowest rate was in North Central, 6.5 times; Northwest 6.8 times. This proves that the more the market economy develops, the higher the stratification between wealth and poverty is.

Monthly income per head in 2008 according to current prices of geographical areas relatively increased compared to 2006. Poor households in Central Highlands and some particularly

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<sup>1</sup> Rice yield hit 38725.1 thousand tons in 2008, 35849.5 thousand tons in 2006, 35942.7 thousand tons in 2007 (Statistical Year book, 2008)

<sup>2</sup> Income quintile means all surveyed individuals are ascending sorted by income per capita, then divided into 5 groups, each has the same number of individuals (20% of all surveyed individuals).

Quintile 1: Lowest income per capital group (Poorest).

Quintile 2: Near poorest.

Quintile 3: Middle.

Quintile 4: Near richest.

Quintile 5: Highest income per capital group (Richest).

poor provinces in Northern mountainous area had relatively increasing income due to the influence of nation's supporting policies for poor areas, districts such as solving the problem of production land for ethnic minority on the spot, providing accommodation, materials for building houses, supplying with plants, fertilizers, subsidy of health care and education, etc. However, income of different areas still has a big difference. If the area of lowest income - Northwest is considered as 1, so the Red River Delta is 1.91, the Northeast 1.4, North Central 1.17, South Central Coast 1.53, Central Highlands 1.45, Southeast 3.0, Mekong River Delta 1.71. Thus, the gap between the highest income area (Southeast) and the lowest income area (Northwest) was 3 times.

The reason why the Southeast area has the highest average income is possibly that this area has an early-developed goods economy; its economic structure of industry, agriculture and service develops better than other areas in the country. The Southeast area has a very favorable geographic position for socio-economic development. This area is situated next to Mekong River Delta - the country's biggest area of food and foodstuff, the communication is easier due to a system of canals and roads. The good natural condition and fertile resources facilitate the development of perennial industrial plants (coffee, rubber, cashew, and pepper), fruit and other industrial plants (soybean, sugar cane, tobacco, etc.) on a grand scale. The Southeast is located near big fishing areas with ideal conditions to build fishing ports. By the coast, there are saline forests, which are favorable places to raise salt-water and brackish-water fishes. The outstanding mineral resource of the area is oil on the continental shelf. The economic - social condition of the Southeast area strongly attracts sources of from highly professional laborers, skilled workers to engineers, professors, and businessmen. The active development of economy facilitates this area to have a big source of gray matter. Ho Chi Minh is the country's biggest city in terms of area and population, also the biggest center of industry, transportation and services. In the Southeast, fund and technology has been accumulated, and the area has also been attracting domestic and international investment. The infrastructure is well - developed, especially transportation and communication. All the above condition brings a lot of advantages to the Southeast in the social - economic development progress.

On the contrary, the Northwest is an inconvenient geographical area with high mountains, separation and system of rough transportation. The system of roads has not been synchronously developed; the system of railroads is old and out of date. The ability of goods and passenger transportation is limited. Now, goods transportation is mainly by railway and road due to the limitation of waterway and airway. The above inadequacies of transportation infrastructure are an obstacle to an investment environment of the area, which contributes to the increase of product cost and decrease of businesses competitive ability. Also, the planning of population layout, as well as the building of concentrated industrial areas and large scale urban areas have faced with a lot of difficulties; due to the condition of rather rough terrain, it is also difficult for the area to enlarge the area of agricultural production in order to create the areas of specialized production towards the trend of industrialization and modernization. The climate of the Northwest is relatively severe, cold and dry winters greatly affect the structure of crops and the growth of plants. The Northwest is an area with a low starting point in our country; most provinces are in the area of especially difficult economic - social condition, ethnic minority has a big proportion so people's life is very hard, the rate of poverty is high

compared to other areas in the country (24% in 2009), leading to a low purchasing power. In the area, there is a serious shortage of trained laborers and the quality of labor in terms of both low and high skills is lower than that of other areas in the nation.

The above analysis partly demonstrates the reason why average income per capita of the Northwest is lowest and that of the Southeast is highest. This naturally leads to a big inequality in households' income of the above areas.

### 3.1.2. Structure of Vietnamese Households' Income Source

Vietnamese households' income source can be defined as the income consisting of the follow: salaries; wages; agriculture, forestry, aquaculture activities; industry, construction, commerce, service and other activities yielding income sources (The General Statistics Office 2008).

On the nationwide scale, it can be realized that the main income of households is from salaries and wages. This accounts for about 1/3 of the total income of households and has a stable trend over the years. Specifically, income from salaries and wages was 32.7% in 2002, 32.7% in 2004, 34.2% in 2006 and 34.7% in 2008. In 2008, this source of income was 345.5 thousand dong per head monthly. The second income source is from production activities in agriculture. This source of income was 82.4 thousand dong per head monthly in 2002 and grew up to 202.3 thousand in 2008. It is the main income source after salaries and wages due to the feature that Vietnam is an agricultural country with 70.4% of population living in the countryside (in 2009). It is agricultural activities bringing remarkable income source to Vietnamese households. Construction is the field yielding the least income source to households with the amount of 1.6 thousand, 2.1 thousand, 3.5 thousand and 5.3 thousand over the years 2002, 2004, 2006 and 2008, respectively. Income from services has had a considerable rise over the past years. This increased from 24.8 thousand in 2002 to 74.9 thousand in 2008. This growth is partly because Vietnam has been aware of how to exploit and use the tourism potentials with many famous beaches and resorts as Halong Bay, Vung Tau, Nha Trang, Phu Quoc, etc.

#### *The comparison of the income source's structure between rural and urban households*

In rural area, the main income of households is from agricultural activities with 99.0 thousand dong in 2002 (28.2% of total income) and 257.4 thousand dong (equal to 25.8% of monthly total income of households). The income source from agricultural activities always ranks the top in the structure of income sources of rural households through the years. Besides this are other income sources from activities closely connected to agricultural activities as forestry and aquaculture.

**Table 1:** Monthly income per capita by source of income and rural or urban areas (unit: 1000 dong)

		Salaries	Agriculture	Forestry	Aquaculture	Industry	Construction	Commerce	Services	Others
2002	Rural	68.2	99.0	5.6	14.8	14.8	0.6	21.5	12.2	39.5
	Urban	274.7	28.0	1.0	13.7	35.8	4.8	79.6	66.4	120.7
2004	Rural	98.1	132.5	6.1	20.0	20.4	1.5	30.5	14.5	54.6
	Urban	346.1	37.8	0.7	9.5	43.4	4.3	101.9	90.0	181.8
2006	Rural	140.0	167.1	6.8	25.8	25.6	2.0	40.3	20.6	77.6
	Urban	453.8	46.7	0.8	10.6	63.6	8.0	129.2	116.0	229.6
2008	Rural	216.4	257.4	9.1	33.8	39.6	3.7	58.2	34.0	110.1
	Urban	683.5	58.1	1.1	18.5	78.8	9.5	191.0	181.7	383.1

**Source:** 2008 Vietnam Household Living Standard Survey

In agricultural activities of rural households, planting is the main sector. Up to 72.5% of household plant rice, and the Red River Delta has the highest rate with nearly 94% of households and Central Highlands with the lowest rate of 39% (Anh & Mai 2007).

Food plants have the proportion of 66.8% in the total revenue of planting sector, in which rice plants account for 60%. The next are industrial plants as coffee, cacao, rubber, etc. with 23.7% of the revenue, the lowest revenue of planting sector is from food plants as bean, peanut, sesame, vegetables, etc. with 3.2% (Anh & Mai 2007). The main cause is that food planting is only in small scale in order to meet the demand of households, so the income from this source is very little.

Accordingly, income from agriculture plays an essential role in rural households. This source is 3.53; 3.5; 3.58; 4.43 times as high as in urban areas through the years 2002, 2004, 2006 and 2008.

On the contrary, income from industry and construction of rural households is much lower than that of urban households (Table 1). The biggest difference in the structure of households' income between rural and urban areas is the income from services and commerce. In 2008, urban households' income from services is 5.34 times as high as rural households', with income from commerce; the difference rate is 3.28 times. This difference of income brings us to a conclusion that activities concerning commerce and services have not been developed intensely in rural areas. This will restrict this area from the social - economic development. On the contrary, urban area has conditions to improve income from these activities.

In urban area, the biggest and main income of households is from salaries and wages. In 2008, salaries accounted for 42.6% of households' total income, with 638.5 thousand dong.

According to the survey results of Vu Tuan Anh and Nguyen Xuan Mai (2007), the proportion of people having income from public sector was 41.6%, from non - state sector was 60%. The trend of people with income from non - state sector is going to grow in the next period in the process of international economic integration, quickly fostering the process of industrialization and modernization in urban area.

The phenomenon of a part of public sector workers having extra jobs (with the proportion of the nation's urban households' income is 2.3%, particularly in Red River Delta, the North Central and the South Central Coast this rate is higher with under or above 4%), which indicates that salaries in public sector need adjusting to meet basic demands of urban households.

The structure of households' income varies from area to area. The proportion of income source from public sector is high in Northwest urban area - with the main role of administrative cities (52.2%). For cities with developed market economy as the Southeast, this rate is only 20.4%, 2.5 times as low as that of the Northwest.

However, income source from households' production business occupies a high proportion (33.5%) in the structure of urban households' income all over the nation. This shows that the feature of small-scale economy is still popular in cities, even in the region considered the most active and developed economic area - the Southeast also has the proportion of 34.7%.

Private sector in cities is still small, when income from this sector is only 12.1%. Also, the sector with foreign investment fund only brings income to a small part of urban people (5.3%), mainly concentrating in big cities as Hanoi, Ho Chi Minh, Vung Tau.

The role of urban households' income source from public sector has been decreasing and that of non - state sector has seen a gradual growth in accordance with the urban scale, in other words, the bigger the urban scale is - the more the market economy develops, the more the role of urban households' income from public sector increases and the more that of income from non - state sector is.

## **3.2. The Expenditure of Vietnamese Families**

### **3.2.1. The Expense Rate of Vietnamese Households Currently**

According to the survey results of households' living standard through the years from 2002 to 2008, it is nationally estimated at current prices that in 2008 the average monthly expense per head was 792.5 thousand dong, increasing up to 55% compared with 2006, rising by 27.5% yearly, higher than other previous years (17.6% in the period of 2002 - 2004, 14.4% during 2004 - 2006). During the period 2004 - 2006, the expense rate of Vietnamese households had a little reduce in comparison with the previous period because in this period, we were affected by worldwide economic recession.

In 2008, average monthly expense per capita in rural area was 619.5 thousand dong, increasing by 54.2% compared to 2006; increasing by 97.1% compared to 2004 and 266.9% to 2002. Also in 2008, the expense rate of average monthly expense per capita in urban area reached 1245.3 thousand dong, increasing by 53.9% compared with 2006. This is the highest increase during this period in urban area (from 2002 - 2004, the growth rate was 31.1% and 24.5% during 2004 - 2006).

The average expense rate in 2008 in urban area was 2.01 times as high as in rural area and it has had the tendency of gap shortening (the rate in 2006, 2004 and 2002 was 2.02, 2.07 and 2.14, respectively).

If considered in terms of geography regions, in all expense areas, average monthly expense per head in 2008 relatively increased compared with 2006. The North Central had the highest increase rate (1.6 times), and Mekong River Delta had the slowest growth rate (1.46 times)

There is a very great difference in daily expense in the nation's regions. The highest expense rate in 2008 was in the Southeast, at 1292.6 thousand dong. This is considered the rich region in Vietnam with many industrial zones and is the concentration of many big cities like Ho Chi Minh, Binh Duong, Dong Nai, Ba Ria - Vung Tau. Therefore, the demand of expense is very big. The lowest expense rate in 2008 was in Northwest area, at 469.8 thousand dong. The Northwest has a limitation in households' expense due to difficult economic social conditions and under developed economy in accordance with the general development of the nation. Moreover, households in this area do not have high demands of shopping because households' production partly meets most daily demands. Thus, that average expense of these households is low is reasonable.

If the expense rate in 2008 of households in the Southeast - the region with the highest rate of expense is compared with that of households in the Northwest - the region with the lowest rate of expense, it can be seen that the gap is 2.6 times.

The difference in expense rate can be recognized in households mastered by women or men. Specifically, average monthly expense per head of households mastered by women is higher than that of households mastered by men. Living expense in households mastered by women in 2002, 2004, 2006 and 2008 was 343.4, 432.3, 545.1 and 875.1 thousand dong, respectively compared to that of households mastered by men at 250.0, 339.9, 436.3, 656.9 thousand dong. This can be attributed to the fact that women care more about looking after and nutrition of family members or other expenses of women are lower so they spend more on family's expenses.

In conclusion, average expense of Vietnamese households was significantly improved in recent years. Average monthly expense of households headed by women is higher than that of households headed by men. Average expense gap between urban and rural areas have decreased slightly but remained large differences of the expense rate.

### **3.2.2. The Structure of Vietnamese Households Expenditures**

The expense structure is one of important indicators about the real living standard of families (Van 2004). The comparison of expense structure from 2002 to 2008 shows a positive change in people's living standard.

Nationally, the biggest expense of all the households is living expense with the rate of 91.6% in 2002 and this rate tended to decrease in the following years with 91.6% in 2004, 90% in 2006 and 88.9% in 2008. This proves that the living standard has been improved more and more because the households do not have to spend too many expenses on daily life but on other purposes in order to satisfy their own lives.

The rate of living expense in urban areas was always higher than rural areas from 2002 to 2008. The main reason is perhaps due to the fact that the demands of urban households are bigger and more various than those of rural households. In addition, the price in urban areas is always higher than that in rural areas. This makes urban households have to spend more on living expenses than rural households. The rate of expenses spent on food, drink, and cigarettes of urban households is much lower than rural households (in 2002, 2004, 2006, 2008, urban households spent 47.8%, 44.6%, 43.9%, 43.5 % of the total living expense whereas these rates in rural households were 54.6%, 51.1%, 50.2%, 49.9%). On the contrary, the rate of expense on other purposes apart from food, drink, cigarettes of urban households is higher than rural households (in 2002, 2004, 2006, 2008 these rates in urban areas were 44.9%, 46.7%, 47.1%, 46.1% whereas these rates were 36.4%, 39.1%, 39.2%, 38.6% in rural areas). The rate of expenses on food, drink, cigarettes of urban and rural households as above shows that rural households are still poor and their production mainly satisfies their demands at least on food and drink. Meanwhile, urban households have better lives so they spend more on other purposes.

The inequality of quintile 5 (the richest) and quintile 1 (the poorest) in monthly per capita average living expense is clearly shown. The living expense of the richest group is 4.2 times as high as that of the poorest group (this rate in 2006, 2004 and 2002 was 4.5 times). In comparison with 2006, the living expense of the poorest group increases 63.1% (higher than the increasing rate of 30.1% from 2002 - 2004 and 26.3% from 2004 - 2006); this rate of the richest group increases 51.7% (from 2002 - 2004, the rate was 30.4%, 2004 - 2006, it was 28.3%).



We are going to analyze the expenses of households to recognize the changes in the structures of expense and find out the difference in the structures of expense between rural and urban households; between the richest and poorest group in Vietnam in current situation as well.

### Expenses on Food, Drink, Cigarettes

It can be said that depending on certain situations and the demands of each person, each family, people have different expenses on food, drink, cigarettes. The expenses on food, drink, cigarettes in family consist of the following: food, foodstuff, fuel, eating out, drink and cigarettes.

Rural households spend more on food and foodstuff than urban households, especially expenses on food (Table 2). The main food Vietnamese people use is rice. 28% of expense budget on food and foodstuff of rural households was spent on rice, whereas this rate was only 14.8% to urban households (in 2008). This can be explained as follow: rural households are often larger so their demands are bigger. Moreover, they do not have many chances to eat out like urban households so the expense on such food as rice is much higher than that of urban households. It can be seen that the living standard of rural households has not been improved much, thus they have to spend their expenses on meeting the daily demands of their own.

**Table 2:** Share of living expenses categorized into urban, rural areas and expenses (%)

	Urban areas				Rural areas			
	2002	2004	2006	2008	2002	2004	2006	2008
Food	16.1	14.9	14.4	16.5	31.6	28.9	27.2	29.1
Foodstuff	51.5	51.9	54.4	52.7	49.5	50.9	52.0	50.9
Fuel	4.5	4.7	5.3	5.3	5.7	5.5	5.9	5.6
Eating out	20.5	22.6	19.5	19.9	8.0	9.5	9.4	9.4
Drink and cigarettes	7.4	5.9	6.4	5.6	5.2	5.2	5.5	5.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

**Source:** Calculation based on the results of living standards of households in 2008

The expense on fuel in rural areas is also higher than that of urban areas, the main reason is that the infrastructure system especially electricity system is often overloaded so rural people have to buy petroleum to light up when the electricity go out. This happens more regularly in summer - the season of highest consume on electricity of Vietnamese people.

The expense on eating out in urban areas was 2 times as high as in rural households from 2002 to 2008 (for instance, in 2008, this distance is 2.11 times). Clearly, the life of urban people is better and a convenient system of restaurants helps them to easily access to this service. That is the reason why the expense on eating out in urban areas is higher than in rural areas. However, in rural areas the expense on eating out has also been likely to rise (from 8% in 2002 to 9.5% in 2004 and 2006, 9.4% in 2008), this shows that the life of rural households has been partly improved so that they have better financial condition for eating out.

For the expenses on drink and cigarettes, there is only a slight difference between rural and urban households. Urban households spend a bit more on drink and cigarettes than rural households.

The poorest group (quintile 1) spends most of the expenses on food (39.6% of the expenses in 2008) and this expense tends to decrease depending on the better financial condition of households, whereas quintile 5 (the richest) the expense on food is only 15.3% (in 2008). Obviously, the demand for food of the richest group is not high because they have a better life so they spend much money on other purposes as buying good food, eating out, etc.

The biggest difference in expenses on food, drink, cigarettes of households at different levels of living standard is that, the richest group spends much more on eating out than the poorest group; however, that distance tends to be narrowed (this difference rate was 7.8 times in 2002, 5.7 times in 2004 and 4.7 times in 2008). It is clear that the bad financial condition of the poorest group makes them unable to eat out.

If it is only considered about the poorest group, the expense on food has a tendency of gradually decreasing, and the expense on foodstuff is increasing, and the expense on eating out is going up as well. This helps us to assert that the living standard of the poorest has been partly improved.

Of all the expenses on food, drink, cigarettes, the expense on fuel is the most stable to all the groups though the years (from 2002 to 2008).

### **Other Expenses Apart from Food, Drink, Cigarettes**

Expenses apart from food, drink, cigarettes consists of: group 1) clothes, hats, shoes; group 2) accommodation, electricity and water supply, hygiene; group 3) equipment and household facilities; group 4) medicine and health service, group 5) travel and post service; group 6) education; group 7) culture, sports, entertainment; and group 8) expenses on other facilities and services.

Among the above expenses, Vietnamese families spend most on travel and post office, then equipment and household facilities, education; and least on culture, sports and entertainment. In reality, the living standard of Vietnamese people is not very high so the fact that demands and financial condition for expenses on culture, sports and entertainment activities is not much is easy to be explained. There is almost no big difference of these expenses between geographic areas.

The great difference of the above expenses is clearly shown in households of different income levels. In details, the richest group (quintile 5) spends more on culture, sports and entertainment. The richest group spent 21 times as high as the poorest group in 2002, 24 times in 2004, 14.5 times in 2006, 16 times in 2008. The next big difference in expenses of the richest and poorest groups is on travel and post service. Obviously with the higher living standard, the richest group (quintile 5) has more various and diversified demands for enjoying culture, entertainment and sports activities. Besides, the demand for travel and information exchange of this group is relatively big so the expense on these purposes is no doubt more than the poorest group (quintile 1).

One thing that should be noted is that in the expense on education, almost no difference between groups at different living standards is found. The reason may be due to Vietnamese people are possessed of traditional fondness for learning so however rich or poor, all families want to invest into their children's education. Furthermore, in people's awareness as well as the Vietnamese Communist Party and Vietnamese Government, investing into education means investing for the development. Hence, in spite of richness or poverty, households pay

much attention to investing into their children's study. This leads to the unremarkable difference between the rich group and the poor group in expense on education.

## Conclusion

Basically, Vietnamese families implement economic function very well in recent years. Through the analysis of income and the structure of Vietnamese households' income, we can see that households' income has had a rising and stable tendency, this demonstrates that households' living standard has been improved better. Nevertheless, there still exists a quite big difference in the income of rural and urban households, as well as between the richest and poorest household groups. The Southeast is the region with households' highest income, whereas the Northeast has the lowest income of households. As for the structure of income source, the biggest source is from salaries, the next is from agricultural activities. Meanwhile, the source from construction and forestry is lowest. There is a certain difference in the structure of income source of rural and urban households. Rural households get the biggest source of income from agricultural activities (50%), the next is the source from salaries. On the contrary, income source from salaries is the main income of urban households. Income from agricultural activities only takes a small proportion in the structure of urban households' income.

The results of the analyses and discussions indicated that average expense of Vietnamese households was significantly improved in recent years. Average monthly expense of households headed by women is higher than that of households headed by men. Average expense gap between urban and rural areas have decreased slightly but remained large differences of the expense rate. The biggest expense of all the households is living expense, but the rate of living expense in urban areas is always higher than that of rural areas. It is the same situation between the quintile 5 and quintile 1. Only the expense on education is almost no difference between groups at different living standards.

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