

# Ownership, organization, and income inequality: Market transition in rural Vietnam

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**Abstract:** In transitional economies, the scale of economic enterprise and the allocation of property rights shape social structures and influence income distribution. In agrarian economies, where labor-intensive family enterprises dominate, political officials' income advantages decline rapidly relative to those of private entrepreneurs. Larger enterprises, however, provide greater income opportunities for officials, especially when a government retains an ownership stake in the initial phases of reform. This article replicates the findings from an earlier study of rural China using comparable survey data from Vietnam. We find that during the first two decades of rural market reform in Vietnam and China, the scale and ownership of firms differed radically. Small family enterprises dominated rural development in Vietnam, whereas China's development was dominated by larger firms, initially established by rural governments. Consequently, while cadre income advantages have kept pace with those of private entrepreneurs in China, they have declined rapidly in Vietnam.

**Index Keywords:** entrepreneur; income distribution; ownership; property rights; rural area; rural development; rural economy; transitional economy; Asia; China; Eurasia; Far East; Southeast Asia; Viet Nam

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