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Do the Vietnamese Support the Economic *Doi Moi*?

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Abstract

Each reform implies social and economic changes. After experiencing war and reunification, today Vietnam is implementing a comprehensive and deep process of renovation (*doi moi*), but a revolution needs the support of the population to be successful. This paper investigates whether the Vietnamese are supportive of some of the main features of a market economy. In particular the preferences for competition, ownership of firms (either private or public) and income inequality as an incentive to productivity are studied here. The data allow to conclude that the *doi moi* is not at risk, but the population tend to contrast income inequality.

Keywords: Vietnam, people's support, people's preferences, *doi moi*

JEL classification: D01, D40, O53, P36

1. Introduction

Each institutional change brings socio-economic reforms, which affect small or large shares of the population. The collapse of the socialist regimes in Eastern Europe and Central Asia tells us a story of this kind: each transition has its winners and its losers, and when the reformation is piloted from the centre (i.e. by the government), the proportion of winners may be crucial to determine which path (if any) the renovation will follow. Even where the reformer is in control of the situation and has strong power, turmoil is possible if a too large part of the population is unsatisfied: the events of Tiananmen Square in 1989 are the proof. The transition from a socialist centrally planned economy to a market oriented one is an example of revolution, which needs the support of the population. Indeed Williamson (1994) individuates three main ingredients for the successful creation of a market economy: visionary leadership, a coherent

economic team and the support of the population. The third factor plays a major role to ensure the success of a reform also in theoretical models (Rodrik, 1996; Drazen, 2000 and Roland, 2002) and empirical studies (Fidrmuc, 2000; Alesina et al., 2001 and 2004).

Former French colony, independent since 1954, divided forcefully by the independence treaty, devastated by a long war, then reunited and on the way of fundamental political and economic reforms, Vietnam offers the possibility to inquiry a transition with reunification, which has followed a path partly opposite to the German's. North and South Vietnam reunified in 1975: at that time the economies of the two countries were very dissimilar, with a socialist-oriented North and a South characterised by an authoritarian regime enforcing a market oriented system. Since the end of the war and for about three years South Vietnam was ruled by a provisional government charged to reform the economic system by implementing the first socialist reforms. Then, in 1976, when the "socialization" of the southern economy was at its beginning, the two countries merged. The government of Hanoi continued its policy of collectivisation of the South, but this was slow, and the results were poor. During the last years of life of the major European communist regimes, once the aids from the Soviet Union were already scarce and discontinuous, similarly toⁱ People's China, the Vietnamese government started a process of deep reforms (the so-called *doi moi*), aimed at modernising the economic system through the abolition of collectivism in some sectors of the economy and the introduction of a market economy. The beginning of this process is commonly fixed in 1986 (Fahey, 1997), and since then several important reforms have been actuated: agriculture, industry and the main services (health, financials, trade) have been progressively reformed and reshaped to be conform to a modern market economy. However in many cases (see Gabriele, 2006 for the health sector) these reforms have contributed to a deterioration of the quality offered to customers. The *doi moi* started basically as a response to the dramatic economic situation of the country in the 1980s, but was not limited to a stabilisation plan. It has involved all the levels of the economy and has produced deep social changes. The *doi moi* involves

a wide range of reforms in different social and economic spheres. In this paper I will focus only on the economic transition from a planned-oriented to a market economy.

In spite of the mentioned reforms, however, the current economy of the country is still far from being fully liberalised. Indeed some of the most relevant sectors are still controlled or heavily regulated by the Government. For example 70% of the exports of rice (the dominant crop in Vietnam) are in the hands of Vinafood, a state company. Furthermore Fforde (2009) proposes an interesting interpretation of the recent economic development of the country. He argues that, while the Government has opened the economy to the private initiative and to the international trade (although with limitations), so far it has not designed a strategy for the economic development (see also Jenkins, 2004). I.e.: the government has undertaken important reforms in the sense of opening the Vietnamese economy to the market, but the implemented policies are not part of a homogeneous plan; nevertheless they have been successful in promoting the economic growth. Although the aim of the paper is not to evaluate the homogeneity of the implemented reforms and their consistency with a predetermined plan, Fforde's paper is useful to better understand the results. The author casts also some doubts about the full efficacy of the economic reforms actuated by the government; in other words he claims that the performance of the Vietnamese economy during the last decades might be due to factors other than the reforms. For example the reorganization of the agriculture was a partial failure: small land areas provided the agricultures with too low incomes, and the Government decided to create a new type of co-operatives with Contract No. 10 in 1998.

Among the extant articles and books on transition economies, only very few examine the popular support to the ongoing reforms, or to the establishment of a market economy, ultimate target of the process. Redding and Witt (2009) and Migheli (2010) examine China and conclude that the Chinese generally support the transition; in particular, Migheli (2010) finds that the Chinese tend to be even

more supportive than the Indians, who have never abandoned a market system in spite of the introduction of some socialist-inspired policies. However in Vietnam the situation is complicated by the relatively recent reunification of the country and the two different regimes, to which the two former countries were subject. In addition, as I will discuss later, the economy of the southern regions has never been transformed into a socialist system. On the one hand this accentuates the differences between North and South, on the other hand southern Vietnamese have never experienced a fully socialist economy. This means that while “market” can be synonymous of “freedom from poverty” for many citizens of a formerly communist country, the same word may have lesser appeal for people who actually know that “market” and “end of poverty” are not synonymous. Furthermore several southern Vietnamese did not like Thieu’s authoritarian regime, and probably today they would like to avoid a clone of it; for them “market” could thus entail also negative memories. Actually, Corneo (2001), Corneo and Grüner (2002) and Alesina and Fuchs-Schündeln (2007) study people’s preferences for redistributive policies in Germany, and find that Eastern Germans have stronger preferences for income redistribution than Western Germans. According to the authors forty-five years of communism are responsible of this difference in preferences. Dalton and Ong (2006) propose a preliminary inquiry which addresses the issue of people’s support for a market economy in Vietnam and other countries. From this study Vietnam obtains scores which are very similar to those of China; taken together with those of Migheli (2010), these results suggest expecting a strong support for a market economy.

Vietnam is a very interesting case-study for at least three reasons. Firstly, the transition of the South is double: from a market-oriented economy to a collectivist system, and from the latter to the former againⁱⁱ. Secondly, the transition from a socialist to a market-oriented economy is ruled by a communist party (whereas in general this is not the case, with the notable exception of China). Thirdly, Vietnam is today a major emerging economy. This paper aims at studying whether the Vietnamese’s preferences for a market economy show support for *doi moi* and whether there are differences between northern and southernⁱⁱⁱ citizens.

The main findings of this paper show that, while the people's support to *doi moi* is not at risk, the government has to monitor the speed and the impact of the reforms carefully, in order not to create popular discontent.

2. The economic *doi moi*: a brief history

Since 1954 in the North and 1975 in the South the central planning systems had run agriculture through co-operatives, while state-owned enterprises dominated the industrial sector, focusing especially on heavy productions and large-scale projects (Fahey, 1997), as it was common in all the communist countries, where the planner pursued economic development through the expansion of the heavy industry. Actually between 1975 and 1978 a provisional government in Ho Chi Minh City was given the job of reforming the southern economy in a socialist way. However neither this government nor the central planner after 1978 had ever reached significant results. While in 1971 96% of all the people employed in agriculture in the North belonged to a cooperative farm, in 1986 (year in which the system based on cooperatives ended) only less than 6% of the farmers in former South Vietnam were organized into collectives (Pingali and Xuan, 1992). The only appreciable effect of the effort to collectivise the southern agriculture was an effective redistribution of the land from the large tenants (heritage of the French domination) to the poor families. It is true that rice output grew, but it was the consequence of an expansion of the cultivated land rather than of the efforts for collectivising (Pingali and Xuan, 1992).

At the beginning of the 1980s the economy of Vietnam was struggling. On the one hand collectivisation was ineffective and inefficient to promote and develop the agricultural and industrial productions; on the other hand the country had not yet recovered from the long war ended in 1975 and the difficult situation of the other communist countries (from where Vietnam had been receiving

substantial helps) was leaving the country without sufficient aids. This translated into an insufficient production of rice (the main Vietnamese crop and the main component of the Vietnamese diet), famine and very high inflation. In its Sixth National Congress (1986) the communist party of Vietnam introduced significant reforms initially aimed at increasing the agricultural production and at stabilising the prices. In the following years the government passed several other market-oriented reforms, and the Constitution of 1992 acknowledges the orientation of the new economic policy (Turley and Selden, 1993). Following the first act of reform of the agricultural system passed in 1987, the co-operatives were dismantled and the right of using the land was transferred to the farmers, according to a distributive system based on the number of household components (Do and Iyer, 2008). This reform was very successful, and already since 1989 Vietnam re-emerged as the second largest rice exporter in the world (Pingali and Xuan, 1992 and Glewwe et al., 2002). In addition the government abandoned the old industrial policy and started a strategy to create surplus through the development of the light industry and, since 1989, encouraging the private sector (Sepehri and Akram-Lodhi, 2005; Hansen et al., 2009 and Nguyen et al., 2009). This change in policies (which follows a first opening to the market economy began in the 1970s) also promoted the development of a hidden economy, in particular land speculations and illegal trade of gold and precious stones, which attracted the poor aimed at gaining enough money to start a legal private activity (Fahey, 1997).

However thanks to *doi moi* the poverty rate in Vietnam has dramatically decreased since the beginning of the reforms (Glewwe et al. 2002); this reduction has involved people living in the countryside and in the urban centres differently, with the latter benefiting more than the former (see also White and Masset, 2003). The reason behind this lies in the higher yields of industrial and tertiary jobs with respect to farming, despite the improvements in productivity of the agricultural sector (Glewwe et al., 2002).

A second fundamental change introduced by *doi moi* besides the private use of land and firms was to widen the range of salaries and to commensurate them to the productivity rather than to the seniority of the worker (Hiebert, 1993, Mook et al., 2003 and Liu, 2006). However the returns to schooling are (still) higher in the public than in the private sector (Mook et al., 2003).

Eventually the *doi moi* promoted a terrific increment of foreign trade (see Trinh Ha, 2005 and Athukorala, 2009). Since its reunification, and as a consequence of the war and of the reunification under the communist Northern Government, a trade embargo affected Vietnam. In addition the policy of the Vietnamese government restricted international trade furthermore. Only since the end of the 1980s, as a part of the general plan of economic renovation, the government started a series of reforms, which have recently ended with the entrance of Vietnam in the WTO. The speed of this transformation is impressive, and the range of implemented actions very wide: from the removal of most export taxes and non-tariff barriers, to the signature of bilateral agreement with the major economies of the world (the EU in 1992 and the US in 2000)^{iv}. Jenkins (2004) notes that the opening to international trade has boosted employment, as Vietnam offers cheap manpower, while technical abilities have increased over the time (as the changes in the structure of Vietnam's trade show).

Although the Vietnamese generally support the *doi moi* process, as the results of this paper will show, they are in favour of liberalisations in the economic sphere, provided that the Government regulates the market to some extent. In other words the economic "renovation" has some advantages in the Vietnamese's eyes, but the citizens would likely not support a deregulated market economy. In particular decreasing poverty, increasing employment and better standards of life can induce the population to support the reforms; on the opposite side the deterioration of the quality of many services and the uncertainty about the duration of a job are likely to be good reasons to oppose to the process. Moreover it must be highlighted that the benefits have not been evenly spread: Nguyen et al.

(2007) show that the urban-rural inequality has increased over the time, although it has decreased between northern and southern regions. In addition the authors find that “Households with greater human capital (e.g. education) endowments benefited more from the reforms because the returns to their endowments changed.”^v This may generate different levels of support across different categories of beneficiaries.

3. Data and methodology

The data come from the last two waves of the *World Value Survey* (WVS thereafter); these were conducted in Vietnam in 2001 and in 2006. For each wave around 1,000 observations are available for a total of 2,495, which are representative of all the Vietnamese provinces. The variables of interest for this paper are the answers to as many questions^{vi}; in particular they are: the respondent’s opinion about competition as a good or bad feature of the economy, the respondent’s opinion about income inequality as an incentive for individual’s productivity and commitment at work and the respondent’s opinion about the state’s ownership of firms (whether this should increase or, rather, decrease).

The variables of interest are the responses to as many questions, that capture the responder’s preferences (on a scale from 1 to 10) over: 1) competition *per se*, 2) income equality, and 3) private vs. public ownership of firms^{vii}.

The controls used in the analysis include gender and age of the responder as well as the income of his/her household expressed as the decile of the national distribution in which this income falls. The number of children and the type of job of the respondent are also used as controls. Last, but not least, the part of the country (either North or South or the administrative region), and the size of the town where the responder lives are introduced as independent variables. Hereafter I briefly comment upon

the rationale for considering these variables as independent controls. The data used in this paper do not contain retired responders; only people who did not declare to be retired were included in the sample.

There are at least two reasons to consider gender: firstly the equality between genders is a fundamental pillar of the communist doctrine, and secondly women tend to be more risk averse than men (Camerer, 2003). In both North and South Vietnam (but more in the former which experienced a longer socialist regime, than in the latter) the distance between the behaviour of the two genders might be narrower than usually found as a consequence of indoctrination. This hypothesis relies on the assumption that the gender effect usually observed in the literature is due mainly (or at least partially) to nurture rather than to nature^{viii}. As the transition from a planned to a market economy brings more uncertainty to people and increases some risks related to the job market (Easterlin and Plagnol, 2008), hence it is likely that women tend to be less in favour of a market economy than males are, as Gabriel (1992), Firebaugh and Sandu (1998), Hayo (1999a and 1999b) and Kaltenthaler et al. (2006) find. Age is another important factor. While old (and middle-age) people in South Vietnam have known both regimes (authoritarian capitalistic and socialist), the most of the population in the North has been familiar with the second system only^x. but living a long part of the life under a given regime can stimulate some nostalgia when that regime collapses or changes dramatically (Easterlin and Plagnol, 2008). As a consequence (a part of) the population may try to contrast the reforms, even if these could be beneficial for them^x. Last but not least the older a person is the lesser he/she is prone to accept any change to his/her life. Having children is likely to affect the responder's outlook for the future, and hence his/her evaluation of the transition, as it is reasonable to assume that parents include their children's utility in their own.

The type of job is an important control for at least two reasons: first of all, as explained before, the benefits of a transition from a centrally planned to a market economy do not spread uniformly, but affect positively the employees of the private sector. In particular agricultural workers have received less benefits than the workers in the industrial and tertiary sectors, as the increase in the village-urban income gap testifies. In addition in Vietnam there is a particular category, those employed in the armed forces, which has always enjoyed large benefits under the socialist regime^{xi}. Moreover the new wage policy, which links the remuneration to the productivity and the hierarchical position, is likely to benefit professionals, skilled workers and managers more than the other categories. As a consequence the support to the creation of a market economy can differ across the types of job. For the same reason (the village-urban gap) also the dimension of the town where the respondent lives is introduced as a control. In particular the WVS categorises the towns in eight clusters (numbered from 1 to 8), according to their population.

All the responses to the previous questions take the form of categorical variables, and therefore are analyzed through ordered probit regressions, which allow to calculate the impact of a unit change in the value of each control on each unit (discrete) change in the value of the dependent variable.

4. Results

The Vietnamese's opinion about competition as a good "ingredient" of the economy is generally positive: on a 0-9 scale (where 9 stands for the best opinion) the average score in 2001 was 6.20, slightly increased to 6.22 in 2006 (but the difference is not statistically significant). However North and South differ: in 2001 the mean score in the North was 6.59, and 5.91 in the South (difference significant at 99% level) and, while in both macro-regions the values have grown, in 2006 the scores were 6.35 and 6.09 respectively (difference significant at 95% level). Hence the convergence between the northern and the southern opinion is determined by two opposite trends: while northern Vietnamese people

have become slightly more sceptical about competition during the time, the opposite has happened in the South. However the still high average scores witness the good opinion of the competition among the Vietnamese.

The following analysis is carried also at regional level. Vietnam is divided into eight administrative regions^{xii}, which present socio-economic differences that must be highlighted to better understand the results presented in the tables. The data in Glewwe et al. (2004) show that in general the Northern regions are the poorest, while the Southern are the richest; this picture changes only partially when considering only the rural areas (important as a large part of the Vietnamese economy is based on agriculture): poverty is concentrated in the North (especially in the border provinces of Northeast and Northwest) and in the Mekong River Delta (while Southeast is the richest region), although here the values of the poverty index are anyway lower than in the extreme North. This is also likely to explain why the average education (measured as the number of years spent at school) is at its minimum (5.5 years) in rural South and increases going north (reaching its maximum – almost 13 years – in Hanoi). In 1993 and in 1998 the highest wages are paid – not unexpectedly – in the two main cities of the country (Hanoi and Ho Chi Minh), while outside these two areas “average wages were surprisingly similar across regions in 1993, and they had become even more similar by 1998.”^{xiii} However the wages of the skilled, private and non-agricultural workers show a more unequal distribution: in 1998 they were around 4.91 dong per hour in Hanoi and 2.39 in the rural Northern area. Eventually the data show that the average annual growth of the wages between 1993 and 1998 was higher in the urban areas (18.6% in Hanoi, 11.9% in Ho Chi Minh and 12.8% in the other urban areas) than in the rural regions (from 6.4% in the South to 9.5% in the Centre). The data presented here are useful to understand why workers from different regions and economic sectors display different levels of support for a market economy. In particular the urban areas and the provinces in the South – which were already rich in relative terms – have benefitted the most from the economic *doi moi*, whilst the rural northern areas and the Mekong River Delta have retained only marginal advantages.

Table 1 presents the results of an ordered probit, whose dependent variable is the opinion about competition. The econometric analysis confirms the difference between North and South: in the former competition is perceived better than in the latter. This opinion improves with the respondent's household income and with being male rather than female. These two results are not surprising, as the economic literature generally finds that women are more averse to competition than men (see for instance Niederle and Vesterlund, 2007); in addition people from households with high income are likely to be among those who are benefiting (have benefited) the most from the transition^{xiv}. Considering different jobs, those people who are related to a better opinion of competition are office workers, farmers and, above all, the agricultural workers. Again these categories reflect those which have gained the most at the beginning of the transition: the first sector to be reformed and privatized was agriculture, and both production and earnings increased considerably. Moreover, with the new (steeper) wage scale, the most of the benefits accrued to the most qualified positions, which are identified by office workers. The negative (though only weakly significant) sign of self-employed may be attributable to the heterogeneity of this group, which includes small businessmen, artisans, craftsmen, etc who may have been benefiting from transition at different levels. Eventually also the time trend is not significant (consistently with the mean values presented before).

Tables 2 and 3 run the same analysis, focusing either on northern or on southern regions; these are also introduced in the regressions as dummy variables to capture the possible heterogeneity within the macro-areas. Table 2 shows the results for the territories of former South Vietnam. While the figures for income are in line with Table 1, gender plays a stronger role in the South than in the North. For this at least two explanations are possible, both due to the different duration of the socialist experience in the two parts of the country. First: as the socialist doctrines aim at establishing equality of treatment and opportunity among genders, then women's and men's preferences in the North may be more

homogeneous than in the South. Second: it is likely that people from the North see the transition as a big opportunity more than people from the South, since a large share of the northern population has never known a market economy system. In such case the expected gains from new opportunities can (partially) compensate the usual female hostility against competition.

In the South only the agricultural workers have of competition a better opinion than those belonging to other job categories; however some marginal effects for the managerial group are significant, suggesting that, at given points on the preference scale, managers' preferences are stronger than those of the other groups; in particular the significant marginal effects show that managers tend to have a good rather than a bad opinion about competition. Southern regions appear inhomogeneous: the reference (Mekong River Delta, where Ho Chi Minh City is located) shows on average a better opinion of competition of both South-East and South Central Coast. In the North (Table 3) unemployed people and, to a much lesser extent, the unskilled manual workers have a better opinion of competition than the others. Again this result is interpretable as disadvantaged people in the North seeing the transition (and competition in this case) as an opportunity for them to improve their conditions. Eventually also northern regions show no homogeneity: the population of North East and of North West has a better opinion of competition than Red River Delta's (where Hanoi is located).

Tables 2 and 3 also highlight the contrasting time path followed by people's preferences: whereas the coefficient for southern provinces is positive, that of the northern provinces is negative, supporting the previous finding.

The second variable analyzed is the opinion about wage inequality as an incentive to workers. In 2001 the average score was 5.54 in northern provinces and 5.19 in southern (difference significant at

90% level); five years later the figures were 5.42 and 4.53 respectively (significance of the difference: 99%). In both the macro-regions the support to income inequality has thus decreased, and in the South has attained the average point of the scale (4.5). Should the preference go under the median point (4.00), the government could start experiencing some (underground) opposition to its policies. In addition, over time, only the change in value in the South is significant (at 99% level).

Table 4 presents the results for the whole country and shows a highly significant geographic effect: northern Vietnamese consider wage inequality as constituting an incentive to workers. Here we have to recall the original policy of the socialist government: when the Socialist Republic was established in the North (and then in the South) wages were set at very similar levels among different jobs. As a consequence it is likely that Northern Vietnamese support wage inequality more than southern citizens as a means to remunerate different skills and abilities. The coefficients of the other controls show that the preference for inequality gets stronger and stronger as income increases (likely because the gains are larger) and as age “decreases”: young people, those who expect more benefits from transition, are more supportive of income inequality than old are. Indeed old people have less to gain, as their working life is shorter, and their education and skills can be only slightly improved to compete against the new generations. Men have a stronger preference than women for income inequality. Overall self-employed workers prefer equality rather inequality, while part-time employees think that income inequality works as an incentive. People working in the agricultural sector and unskilled workers are not supportive of income inequality; as they are the least skilled categories, the actual transition and the reform of the wage policy would hardly benefit them; rather their relative position in the income scale is likely to worsen over time. Consequently they do not consider income inequality as an incentive. Consistently with this interpretation, the result is driven by northern people (Tables 5 and 6), who have experienced flat wages for a longer time. However, considering Tables 1 – 3, the agricultural workers are favourable to competition (while there is no difference between unskilled manual workers and the other categories). A possible interpretation of this is that they support competition (seen as some

renewal) as long as it does not bring too much income disparity. Eventually the time trend captured by the regression presented in Table 4 reflects the situation of South provinces (Tables 5 and 6).

Tables 5 and 6 highlight some differences between North and South. First: only northern men are more supportive of income inequality than women; in the South, although it is positive, the coefficient is not significant, and again the interpretation given for the results presented in Table 4 may hold. Second: in the South (and only there) the larger the town, the stronger the preference for inequality as an incentive (Table 5); larger towns demand more skilled workers, hence people living there have more opportunities to get high wages than in smaller agglomerates. Third: in the South, but not in the North, part time workers are in favour of income inequality, whereas self-employed are contrary.

The last variable analysed refers to people's preference for increasing the State ownership of firms. Here a high value represents discontent for the transition to a market economy. The average score of this variable in 2001 was 4.23 in the North and 4.51 in the South (difference significant at 90% level); in 2006 the respective figures were 4.12 and 3.88 (difference significant at 95% level). Again there is a difference between North and South, which reverses over time: in 2001 southern Vietnamese are weak supporters of state property of firms, whilst in 2006 they are in favour to private property (it is interesting to notice that the average value here is lower than the median point of the scale). Overall in both the North and the South people tend to prefer private to state ownership^{xv}; the time trend is not significant in the North, while it is in the south (at 99% level).

Table 7 shows the results of the ordered probit analysis for the whole country. The lack of significance for the "south" dummy must be imputed to the temporal reversal of preferences in the South. Here unemployed, managers and professionals are all in favour of an increase of private

property, while self-employed would prefer an increase in state ownership. This is not surprising, at least for two reasons: state-owned firms are less competitive, and in general they are stable and constant customers; taken together these two reasons are good incentives for current self-employed workers to oppose to an increase of private property of firms. The agricultural workers are in favour of increasing the private property of firms. Tables 8 and 9 analyse southern and northern regions respectively. As before, some differences stand out; firstly the opposition to state ownership is led by southern managers and northern professionals and agricultural workers (the controls for these categories are not significant in the other part of the country); again this may be due to the longer experience and the deeper implementation of socialism in the northern regions (especially in the case of agriculture) than in southern ones, and again managers and professionals are the categories, which would benefit the most from the higher salaries paid by private firms. Secondly northern farmers are in favour of increasing the private property of firms, likely because they gained from privatisation of the use of the land. Tables 8 and 9 also show a substantial homogeneity within North and South: only one region out of five in each macro-area differs significantly from the others; in particular people in South Central Coast would prefer state ownership to increase, whereas people from North East display the opposite wisdom.

So far I have not mentioned the number of children. Tables 1 and 7 show that as their number increases, the opinion about competition worsens and the respondents prefer larger state ownership. In basic overlapping generations models parents tend to incorporate children's utility in their own; hence the more children the responder has, the more sceptical about competition and private property of firms he/she is, as a transition from a planned to a market economy increases uncertainty generally and, above all, of job stability and income (Easterlin and Plagnol, 2008). However this result is a feature of southern provinces only; again this might suggest that northern Vietnamese value competition (seen as an opportunity to improve their lives) more than southern Vietnamese (who have almost never known a real socialist economy), and probably this is a consequence of the longer socialist experience.

Before presenting the conclusions, a last remark is noteworthy. When I claim that the Vietnamese support a market economy, I rely on the fact that the majority of the interviewees declare scores, which are above the median threshold of the scale used. However the average scores are mostly in a neighbourhood of 4, indicating that the Vietnamese have a “weak” preference for a market vs. a planned economy. In other words, the results shown in the tables suggest that the Vietnamese’s preferred economy is liberalised, but also regulated by the Government, perhaps so that the citizens are protected by negative economic events.

5. Conclusions

The evidence presented in this paper highlights three main results: 1) the Vietnamese population is on average favourable to the current transition, especially to competition, to private property of firms and to considering wage inequality as an incentive to workers; 2) this popular support has tended to decrease over the period 2001 – 2006; 3) there are significant (and sometimes substantial) differences between northern and southern regions. Although the current process of transition does not seem to be threatened, not all the categories of workers support it; however, the agricultural workers tend to consider competition as a good ingredient of an economic system and they support the private property of firms. This is very important for Vietnam, as the primary sector is, still today, the major employer and the most relevant economic sector. In addition both the enforcement of socialism and the conflict between the North and the South have been based on their material and political support. However, while the population deems the private firms to be more efficient and less corrupted than the public, in some sectors (mainly in the agricultural sector) the state-owned firms are suppliers more reliable than the private homologues. As a consequence also a non-negligible part of the domestic trade still involves the public sector.

However the popular support shows some weaknesses that can not be neglected. Firstly, the agricultural workers do not consider income inequality as an incentive for workers; this casts some doubts on the solidity of the support brought by this category to the current policies. Indeed, as mentioned at the beginning of the paper, the change in the wage policy is a central pillar both of the transformation of the centrally planned economy into a market-oriented system and of the government's programme. Secondly the lack of homogeneity between northerners' and southerners' preferences reveals the presence of cultural and ideological differences between the two parts of the country. Thirdly the time path of the analysed variables suggests that the popular support to the reforms is weakening (or, at least, has been weakening between 2001 and 2006).

If compared to the evidence from Eastern Europe presented in the first section, some interesting remarks emerge. The support to the market economy is weaker in Vietnam than in the former communist countries, however the Vietnamese' preferences over the different aspects considered in the paper are more homogeneous than those revealed by Eastern Europeans. These differences are consistent with the institutional contexts in the two areas during the transition. While in Eastern Europe this generally involved a clear discontinuity with the past, in Vietnam the persistence of the communist party as the leader political institution ensures a high degree of institutional continuity. Moreover in Eastern Europe the transition was the consequence of a bottom-up process began with people's protests, while in Vietnam the process is (at least mostly and officially) upper-down. Hence the transition here will probably be slower than there, and this might allow for piloting it so that the disequilibria generated in Eastern Europe do not affect (too much) the Vietnamese economy and do not undermine the popular support.

Overall the results of this inquiry depict a situation with lights and shades. On the one hand the government can rely on a consistent people's support for the transition process, as this let them

foresee the opportunity of improving their socio-economic situation. On the other hand the Vietnamese are not ready to forego the stability and security of jobs and wages too fast, probably at least until the benefits from the transition will be more relevant, sure and widespread than they are now. Thus the Vietnamese government has to pursue the process of renovation and of establishment of a market oriented economy, but it must avoid the mistake of running too fast. History is full of examples of enlightened governors whose policies were aimed at improving the lives of their citizens, but whose implementation was too fast and led to a counter-revolution. In order to ensure future people's support to the *doi moi* process the government should pay more attention to the problem of income inequality and should adopt reforms which balance the need for renovation and growth and the people's claim for a lesser (or slower) increase of the income inequality.

A last (but not least) remark is suggested by Fforde (2007): the lack of a pre-designed plan of reforms could constitute a weakness now that Vietnam is in the middle of the transition and since the successes of the past are not guaranteed also for the future. The evidence provided by this paper suggests that the population supports a path of slow economic reforms, but it also warns the policy makers about the fact that the population demands a mix of liberalisations and public controls. This could be a starting point for setting the agenda of the new economic reforms, although the secret of the Vietnamese success could be in the particular mix of private and public enterprises, and this, it is perceived by the population, could explain why the Vietnamese are in favour of regulation.

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Table 1. Ordered Probit regression for considering the competition as a good feature for an economy

	Coefficient	Marginal effects ¹								
		y=1	y=2	y=3	y=4	y=5	y=6	y=7	y=8	y=9
Male	0.198 (0.046)***	-0.44 (0.13)***	-0.67 (0.18)***	-0.88 (0.23)***	-2.03 (0.48)***	-2.37 (0.56)***	-0.01 (0.05)	0.39 (0.10)***	0.75 (0.18)***	6.69 (1.54)***
Income	0.069 (0.015)***	-0.16 (0.04)***	-0.23 (0.06)***	-0.31 (0.07)***	-0.71 (0.16)***	-0.83 (0.19)***	n.s.	0.13 (0.03)***	0.26 (0.06)***	2.34 (0.52)***
South	-0.138 (0.052)***	0.31 (0.13)**	0.47 (0.19)**	0.61 (0.24)***	1.41 (0.54)***	1.67 (0.65)***	0.01 (0.03)	-0.26 (0.10)***	-0.51 (0.20)***	-4.67 (1.68)***
Age	0.002 (0.002)	n.s.	-0.01 (0.01)	-0.01 (0.01)	-0.02 (0.02)	-0.02 (0.02)	n.s.	n.s.	n.s.	0.07 (0.07)
Part time worker	0.031 (0.083)	-0.07 (0.18)	-0.10 (0.27)	-0.14 (0.36)	-0.32 (0.85)	-0.39 (1.04)	n.s.	0.06 (0.14)	0.11 (0.30)	1.07 (2.85)
Self-employed worker	-0.114 (0.061)*	0.27 (0.15)*	0.40 (0.23)*	0.52 (0.30)*	1.18 (0.64)*	1.30 (0.66)**	-0.04 (0.05)	-0.26 (0.15)*	-0.46 (0.026)*	-3.79 (2.00)*
Number of children	-0.038 (0.016)**	0.08 (0.04)**	0.13 (0.06)**	0.17 (0.07)**	0.39 (0.16)**	0.45 (0.19)**	n.s.	-0.07 (0.03)**	-0.14 (0.006)***	-0.127 (0.54)**
Unemployed	0.149 (0.109)	-0.31 (0.22)	-0.47 (0.33)	-0.63 (0.44)	-1.50 (1.09)	-1.95 (1.54)	-1.10 (0.15)	0.22 (0.12)**	0.49 (0.32)	5.20 (3.93)
Manager	0.114 (0.123)	-0.24 (0.24)	-0.37 (0.38)	-0.49 (0.51)	-1.15 (1.24)	-1.47 (1.69)	0.07 (0.14)	0.18 (0.14)	0.39 (0.38)	3.95 (4.40)
Professional	0.128 (0.113)	-0.27 (0.22)	-0.41 (0.34)	-0.55 (0.46)	-1.29 (1.13)	-1.67 (1.56)	0.08 (0.14)	0.19 (0.12)	0.43 (0.33)	4.45 (4.04)
Office worker	0.221 (0.131)*	-0.43 (0.24)*	-0.67 (0.37)*	-0.91 (0.50)*	-2.21 (1.26)*	-3.03 (1.97)	0.25 (0.28)	0.24 (0.06)***	0.66 (0.29)**	7.89 (4.87)*
Foreman	-0.027 (0.274)	0.06 (0.63)	0.09 (0.95)	0.12 (1.25)	0.27 (2.82)	0.32 (3.17)	n.s.	-0.06 (0.59)	-0.10 (1.07)	-0.91 (9.14)
Skilled manual worker	0.132 (0.107)	-0.28 (0.21)	-0.42 (0.33)	-0.57 (0.44)	-1.34 (1.07)	-1.72 (1.49)	-0.08 (0.13)	0.20 (0.11)*	0.44 (0.32)	4.62 (3.85)
Semi skilled manual worker	-0.079 (0.133)	0.19 (0.33)	0.28 (0.49)	0.36 (0.62)	0.81 (1.37)	0.90 (1.42)	-0.02 (0.09)	-0.18 (0.34)	-0.31 (0.56)	-2.62 (4.32)
Unskilled manual worker	0.164 (0.129)	-0.33 (0.24)	-0.52 (0.38)	-0.69 (0.52)	-1.66 (1.27)	-2.19 (1.86)	-0.14 (0.21)	0.22 (0.10)**	0.53 (0.34)	5.79 (4.71)
Armed forces	0.024 (0.118)	-0.05 (0.03)	-0.08 (0.39)	-0.11 (0.52)	-0.25 (1.20)	-0.30 (1.47)	n.s.	0.04 (0.02)	0.09 (0.42)	0.83 (4.04)
Farmer (land owner)	0.214 (0.132)*	-0.42 (0.24)*	-0.66 (0.37)*	-0.89 (0.51)*	-2.15 (1.28)*	-2.92 (1.98)	-0.23 (0.27)	0.25 (0.06)***	0.65 (0.31)**	7.63 (4.90)*
Agricultural worker (non land owner)	0.262 (0.087)***	-0.57 (0.21)***	-0.87 (0.30)***	-1.15 (0.39)***	-2.67 (0.90)***	-3.26 (1.13)***	-0.09 (0.09)	0.46 (0.14)***	0.93 (0.30)***	8.99 (3.04)***
Size of town	-0.026 (0.025)	0.06 (0.06)	0.09 (0.09)	0.11 (0.11)	0.26 (0.26)	0.31 (0.30)	n.s.	-0.05 (0.05)	-0.09 (0.09)	-0.86 (0.85)
Year 2006	-0.027 (0.048)	0.06 (0.11)	0.09 (0.16)	0.12 (0.21)	0.28 (0.49)	0.33 (0.58)	n.s.	-0.05 (0.09)	-0.10 (0.18)	-0.93 (1.92)
Pr(y = n)		0.013	0.021	0.032	0.096	0.252	0.102	0.085	0.083	0.284
Observations	2,316									
Pseudo R squared	0.009									

¹ Percentage values
n.s.= the value is not significant and lesser than 0.01.

Table 2. Ordered Probit regression for considering the competition as a good feature for an economy (southern regions only)

	Coefficient	Marginal effects ¹								
		y=1	y=2	y=3	y=4	y=5	y=6	y=7	y=8	y=9
Male	0.208 (0.064)***	-0.50 (0.19)***	-0.73 (0.25)***	-1.00 (0.34)***	-1.79 (0.57)***	-2.65 (0.82)***	0.20 (0.10)**	0.70 (0.23)***	0.83 (0.27)***	6.54 (2.00)***
Income	0.047 (0.20)***	-0.11 (0.06)**	-0.16 (0.008)**	-0.22 (0.10)**	-0.40 (0.18)**	-0.60 (0.26)**	0.04 (0.03)*	0.16 (0.07)**	0.19 (0.08)**	1.46 (0.64)**
Age	0.005 (0.003)*	-0.01 (7*10 ⁻³)*	-0.02 (0.01)*	-0.02 (0.01)*	-0.04 (0.02)*	-0.07 (0.03)*	n.s.	0.02 (0.01)*	0.02 (0.01)*	0.16 (0.08)*
Part time worker	0.215 (0.121)*	-0.47 (0.24)*	-0.70 (0.38)*	-0.97 (0.53)*	-1.82 (1.01)*	-3.11 (1.96)	n.s.	0.56 (0.23)**	0.76 (0.38)**	0.71 (0.42)*
Self-employed worker	-0.265 (0.096)***	0.71 (0.32)**	1.01 (0.44)**	1.33 (0.55)**	2.28 (0.86)***	2.79 (0.82)***	-0.52 (0.30)*	-1.08 (0.47)**	-1.15 (0.47)**	-7.78 (2.61)***
Number of children	-0.045 (0.020)**	0.11 (0.05)**	0.16 (0.007)**	0.21 (0.10)**	0.39 (0.18)**	0.57 (0.27)**	-0.04 (0.03)*	-0.15 (0.07)**	-0.18 (0.08)**	-1.40 (0.64)**
Unemployed	0.064 (0.141)	-0.15 (0.33)	-0.22 (0.48)	-0.30 (0.66)	-0.56 (1.22)	-0.85 (1.95)	0.05 (0.07)	0.20 (0.42)	0.25 (0.53)	2.04 (4.59)
Manager	0.256 (0.168)	-0.54 (0.32)*	-0.81 (0.49)*	-1.13 (0.69)*	-2.216 (1.37)	-3.83 (2.82)	-0.06 (0.27)	0.61 (0.24)**	0.87 (0.47)*	8.65 (6.03)
Professional	0.150 (0.160)	-0.34 (0.34)	-0.50 (0.50)	-0.69 (0.70)	-1.28 (1.35)	-2.12 (2.44)	0.04 (0.09)	0.42 (0.36)	0.55 (0.53)	4.93 (5.46)
Office worker	0.155 (0.186)	-0.34 (0.39)	-0.51 (0.57)	-0.71 (0.81)	-1.32 (1.56)	-2.20 (2.90)	0.03 (0.13)	0.43 (0.39)	0.56 (0.61)	5.09 (6.41)
Foreman	-0.052 (0.457)	0.13 (1.17)	0.19 (1.69)	0.25 (2.26)	0.45 (3.70)	0.64 (5.31)	-0.06 (0.70)	-0.19 (1.74)	-0.21 (1.93)	-1.61 (13.86)
Skilled manual worker	0.230 (0.153)	-0.49 (0.31)	-0.74 (0.46)	-1.03 (0.65)	-1.94 (1.27)	-3.37 (2.50)	-0.02 (0.20)	0.58 (0.26)**	0.80 (0.46)*	7.68 (5.41)
Semi skilled manual worker	-0.138 (0.186)	0.36 (0.53)	0.51 (0.74)	0.69 (0.96)	1.20 (1.61)	1.56 (1.83)	-0.23 (.44)	-0.54 (0.82)	-0.59 (0.84)	-4.15 (5.33)
Unskilled manual worker	0.084 (0.164)	-0.20 (0.37)	-0.29 (0.54)	-0.39 (0.75)	-0.72 (1.40)	-1.14 (2.34)	0.05 (0.04)	0.26 (0.45)	0.32 (0.59)	2.71 (5.42)
Armed forces	-0.189 (0.164)	0.51 (0.49)	0.72 (0.67)	0.95 (0.87)	1.64 (1.41)	2.03 (1.42)	-0.36 (0.46)	-0.77 (0.77)	-0.82 (0.77)	-5.59 (4.50)
Farmer (land owner)	0.224 (0.172)	-0.48 (0.34)	-0.72 (0.51)	-1.00 (0.72)	-1.89 (1.42)	-3.29 (2.82)	-0.02 (0.22)	0.56 (0.28)**	0.78 (0.51)	7.50 (6.07)
Agricultural worker (non land owner)	0.216 (0.127)*	-0.51 (0.31)*	-0.74 (0.44)*	-1.01 (0.59)*	-1.86 (1.09)*	-2.90 (1.78)*	0.13 (0.09)	0.67 (0.36)*	0.83 (0.47)*	6.94 (4.17)*
Size of town	-0.058 (0.033)*	0.14 (0.09)*	0.20 (0.12)*	0.28 (0.16)*	0.50 (0.29)*	0.74 (0.43)*	-0.06 (0.04)	-0.19 (0.11)*	-0.23 (0.13)*	-1.81 (1.05)*
South-East	-0.277 (0.080)***	0.72 (0.27)***	1.04 (0.36)***	1.38 (0.45)***	2.39 (0.71)***	3.09 (0.86)***	3.09 (0.20)**	-0.47 (0.35)***	-1.08 (0.38)***	-8.31 (2.31)***
Central Highland	-0.117 (0.103)	0.30 (0.28)	0.43 (0.40)	0.58 (0.52)	1.01 (0.90)	1.38 (1.12)	-0.17 (0.20)	-0.44 (0.42)	-0.49 (0.46)	-3.57 (3.06)
Central Coast	-0.227 (0.091)***	0.59 (0.28)**	0.85 (0.38)**	1.13 (0.50)**	1.97 (0.81)**	2.54 (0.91)***	-0.38 (0.23)*	-0.89 (0.41)**	-0.97 (0.43)**	-6.81 (2.59)***
Year 2006	0.123 (0.066)*	-0.30 (0.18)*	-0.44 (0.25)*	-0.59 (0.33)*	-1.06 (0.59)*	-1.54 (0.80)*	0.13 (0.10)	0.42 (0.24)*	0.50 (0.28)*	3.84 (2.05)*
Pr(y = n)		0.014	0.023	0.036	0.082	0.291	0.110	0.096	0.069	0.246
Observations	1,213									
Pseudo R squared	0.017									

1 Percentage values

n.s.= the value is not significant and lesser than 0.01.

Table 3. Ordered Probit regression for considering the competition as a good feature for an economy (northern regions only)

	Coefficient	Marginal effects ¹								
		y=1	y=2	y=3	y=4	y=5	y=6	y=7	y=8	y=9
Male	0.135 (0.069)*	-0.25 (0.15)*	-0.41 (0.22)*	-0.52 (0.28)*	-1.64 (0.85)*	-1.56 (0.80)*	-0.16 (0.09)*	0.10 (0.07)	0.45 (0.24)*	4.83 (2.46)**
Income	0.083 (0.025)***	-0.16 (0.06)**	-0.25 (0.09)***	-0.32 (0.11)***	-1.00 (0.32)***	-0.96 (0.30)***	-0.10 (0.04)**	0.06 (0.03)**	0.27 (0.09)***	2.97 (0.89)***
Age	0.001 (0.003)	n.s.	n.s.	n.s.	-0.01 (0.04)	n.s.	n.s.	n.s.	n.s.	0.03 (0.11)
Part time worker	-0.195 (0.107)*	0.41 (0.26)	0.64 (0.40)*	0.80 (0.48)*	2.40 (1.35)*	2.00 (0.97)**	0.08 (0.08)	-0.26 (0.21)	-0.78 (0.50)	-6.70 (3.52)*
Self-employed worker	-0.037 (0.084)	0.07 (0.16)	0.11 (0.26)	0.14 (0.33)	0.45 (1.03)	0.42 (0.95)	0.04 (0.09)	-0.03 (0.08)	-0.13 (0.29)	-1.31 (2.99)
Number of children	-0.041 (0.028)	0.08 (0.05)	0.12 (0.09)	0.16 (0.11)	0.50 (0.34)	0.48 (0.32)	0.05 (0.04)	-0.03 (0.02)	-0.14 (0.09)	-1.48 (0.99)
Unemployed	0.457 (0.210)**	-0.64 (0.26)**	-1.07 (0.44)**	-1.43 (0.57)**	-5.05 (2.06)**	-6.22 (3.10)**	-1.37 (0.96)	-0.39 (0.51)	0.55 (0.27)**	17.50 (8.33)**
Manager	0.028 (0.193)	-0.05 (0.35)	-0.08 (0.57)	-0.11 (0.73)	-0.34 (2.34)	-0.33 (2.31)	-0.04 (0.28)	0.02 (0.10)	0.09 (0.60)	1.01 (7.01)
Professional	0.050 (0.167)	-0.09 (0.30)	-0.15 (0.48)	-0.19 (0.62)	-0.61 (2.01)	-0.60 (2.04)	-0.07 (0.27)	0.03 (0.07)	0.16 (0.49)	1.81 (6.10)
Office worker	0.211 (0.202)	-0.35 (0.30)	-0.57 (0.50)	-0.74 (0.65)	-2.48 (2.28)	-2.70 (2.78)	-0.44 (0.60)	-0.01 (0.17)	0.50 (0.29)*	7.85 (7.77)
Foreman	0.112 (0.349)	-0.20 (0.56)	-0.32 (0.93)	-0.41 (1.22)	-1.34 (4.11)	-1.38 (4.54)	-0.19 (0.78)	0.03 (0.06)	0.31 (0.79)	4.11 (13.10)
Skilled manual worker	0.064 (0.161)	-0.12 (0.28)	-0.19 (0.46)	-0.24 (0.59)	-0.77 (1.93)	-0.76 (1.98)	-0.09 (0.27)	0.03 (0.05)	0.20 (0.46)	2.31 (5.90)
Semi skilled manual worker	-0.051 (0.203)	0.10 (0.41)	0.16 (0.64)	0.20 (0.81)	0.62 (2.50)	0.57 (2.22)	0.05 (0.16)	-0.05 (0.22)	-0.18 (0.76)	-1.80 (7.12)
Unskilled manual worker	0.369 (0.238)	-0.54 (0.31)*	-0.90 (0.50)*	-1.20 (0.66)*	-4.17 (2.42)*	-4.95 (3.50)	-1.00 (0.99)	-0.22 (0.46)	0.59 (0.16)***	14.04 (9.41)
Armed forces	0.154 (0.169)	-0.26 (0.38)	-0.43 (0.45)	-0.56 (0.58)	1.83 (1.98)	-1.91 (2.25)	-0.28 (0.41)	0.03 (0.08)	0.41 (0.35)	5.66 (6.40)
Farmer (land owner)	0.139 (0.236)	-0.24 (0.37)	-0.39 (0.62)	-0.51 (0.81)	-1.66 (2.73)	-1.73 (3.11)	-0.25 (0.57)	0.03 (0.08)	0.38 (0.49)	5.13 (8.90)
Agricultural worker (non land owner)	0.206 (0.136)	-0.38 (0.27)	-0.62 (0.43)	-0.79 (0.53)	-2.50 (1.65)	-2.41 (1.61)	-0.26 (0.20)	0.14 (0.10)	0.66 (0.43)	7.40 (4.89)
Size of town	0.046 (0.043)	-0.09 (0.08)	-0.14 (0.13)	-0.18 (0.17)	-0.56 (0.53)	-0.53 (0.50)	-0.06 (0.06)	0.03 (0.03)	0.15 (0.15)	1.64 (1.55)
North-Central	-0.006 (0.085)	0.01 (0.16)	0.02 (0.26)	0.02 (0.33)	0.07 (1.03)	0.07 (0.98)	n.s.	-0.01 (0.06)	-0.02 (0.28)	-0.21 (3.03)
North-East	0.227 (0.086)***	-0.40 (0.18)**	-0.64 (0.27)**	-0.83 (0.33)**	-2.71 (1.04)***	-2.79 (1.12)**	-0.39 (0.21)*	0.07 (0.07)	0.63 (0.22)***	8.32 (3.20)***
North-West	0.564 (0.156)***	-0.76 (0.24)***	-1.27 (0.34)***	-1.71 (0.45)***	-6.09 (1.48)***	-7.72 (2.37)***	-1.80 (0.81)**	-0.60 (0.47)	0.51 (0.34)	21.66 (6.17)***
Year 2006	-0.166 (0.074)**	0.30 (0.15)**	0.49 (0.23)**	0.62 (0.29)**	2.00 (0.91)**	1.97 (0.93)**	0.24 (0.14)*	-0.09 (0.05)	-0.51 (0.22)**	-6.00 (2.72)**
Pr(y = n)		0.010	0.018	0.026	0.109	0.213	0.097	0.077	0.102	0.322
Observations	1,103									
Pseudo R squared	0.014									

1 Percentage values

n.s.= the value is not significant and lesser than 0.01.

Table 4. Ordered Probit regression for considering income inequality as an incentive to workers

	Coefficient	Marginal effects ¹								
		y=1	y=2	y=3	y=4	y=5	y=6	y=7	y=8	y=9
Male	0.118 (0.045)***	-0.43 (0.17)***	-0.45 (0.17)***	-0.39 (0.15)***	-0.66 (0.25)***	-0.10 (0.05)**	0.14 (0.06)**	0.64 (0.24)***	0.66 (0.25)***	3.27 (1.24)***
Income	0.034 (0.015)**	-0.12 (0.06)**	-0.13 (0.06)**	-0.11 (0.05)**	-0.19 (0.09)**	-0.03 (0.02)*	0.04 (0.02)**	0.18 (0.08)**	0.19 (0.09)**	0.94 (0.42)**
South	-0.289 (0.053)***	1.05 (0.22)***	1.09 (0.23)***	0.95 (0.20)***	1.62 (0.32)***	0.28 (0.08)***	-0.32 (0.09)***	-1.53 (0.31)***	-1.60 (0.32)***	-8.03 (1.48)***
Age	-0.005 (0.002)***	0.02 (7*10-3)***	0.02 (7*10-3)***	0.02 (6*10-3)***	0.03 (0.01)**	4*10-3 (2*10-3)***	-6*10-3 (2*10-3)***	-0.03 (0.01)**	-0.03 (0.01)**	-0.13 (0.05)***
Part time worker	0.141 (0.084)*	-0.51 (0.31)*	-0.54 (0.33)*	-0.49 (0.30)*	-0.88 (0.58)	-0.20 (0.17)	0.09 (0.03)***	0.67 (0.35)**	0.75 (0.43)*	4.09 (2.56)*
Self-employed worker	-0.170 (0.057)***	0.62 (0.22)***	0.63 (0.21)***	0.53 (0.18)***	0.83 (0.25)***	0.06 (0.04)	-0.28 (0.13)**	-1.01 (0.37)***	-0.98 (0.34)***	-4.47 (1.42)***
Number of children	0.008 (0.015)	-0.03 (0.06)	-0.03 (0.06)	-0.03 (0.05)	-0.05 (0.09)	n.s.	n.s.	0.04 (0.08)	0.05 (0.09)	0.22 (0.43)
Unemployed	-0.043 (0.108)	0.16 (0.39)	0.16 (0.40)	0.14 (0.35)	0.23 (0.56)	0.03 (0.06)	-0.06 (0.16)	-0.24 (0.62)	-0.24 (0.62)	-1.16 (2.90)
Manager	0.148 (0.114)	-0.54 (0.42)	-0.57 (0.45)	-0.51 (0.41)	-0.93 (0.79)	-0.22 (0.24)	0.09 (0.03)***	0.69 (0.45)	0.79 (0.58)	4.32 (3.51)
Professional	0.101 (0.117)	-0.37 (0.43)	-0.39 (0.46)	-0.35 (0.41)	-0.61 (0.77)	-0.13 (0.20)	0.08 (0.05)	0.50 (0.52)	0.55 (0.61)	2.90 (3.49)
Office worker	0.186 (0.142)	-0.68 (0.51)	-0.72 (0.56)	-0.65 (0.52)	-1.21 (1.04)	-0.31 (0.35)	0.08 (0.07)	0.82 (0.49)*	0.97 (0.68)	5.52 (4.50)
Foreman	0.047 (0.254)	-0.17 (0.93)	-0.18 (0.98)	-0.16 (0.87)	-0.27 (1.55)	-0.05 (0.34)	0.05 (0.20)	0.24 (1.24)	0.26 (1.37)	1.32 (7.30)
Skilled manual worker	-0.036 (0.105)	0.13 (0.38)	0.14 (0.39)	-0.16 (0.34)	0.20 (0.55)	0.03 (0.07)	-0.05 (0.15)	-0.20 (0.60)	-0.21 (0.60)	-0.99 (2.82)
Semi skilled manual worker	0.032 (0.127)	-0.12 (0.47)	-0.12 (0.49)	-0.11 (0.43)	-0.18 (0.75)	-0.03 (0.15)	0.03 (0.12)	0.17 (0.65)	0.18 (0.70)	0.90 (3.60)
Unskilled manual worker	-0.213 (0.128)*	0.77 (0.45)*	0.77 (0.44)*	0.64 (0.34)*	0.94 (0.40)**	n.s.	-0.43 (0.36)	-1.35 (0.92)	-1.25 (0.78)*	-5.41 (2.94)*
Armed forces	-0.049 (0.127)	0.18 (0.47)	0.18 (0.48)	0.16 (0.41)	0.26 (0.65)	0.03 (0.06)	-0.07 (0.20)	-0.28 (0.75)	-0.28 (0.73)	-1.33 (3.40)
Farmer (land owner)	-0.031 (0.128)	0.11 (0.47)	0.12 (0.48)	0.10 (0.41)	0.17 (0.67)	0.02 (0.08)	-0.04 (0.18)	-0.17 (0.73)	-0.18 (0.73)	-0.85 (3.45)
Agricultural worker (non land owner)	-0.219 (0.090)**	0.80 (0.33)**	0.82 (0.34)**	0.71 (0.29)**	1.17 (0.46)***	0.16 (0.07)**	-0.29 (0.15)**	-1.22 (0.53)**	-1.23 (0.52)**	5.96 (2.40)**
Size of town	0.029 (0.026)	-0.11 (0.09)	-0.11 (0.10)	-0.09 (0.08)	-0.16 (0.14)	-0.03 (0.02)	0.03 (0.03)	0.16 (0.14)	0.16 (0.14)	0.81 (0.71)
Year 2006	-0.127 (0.046)***	0.47 (0.17)***	0.49 (0.18)***	0.43 (0.16)***	0.73 (0.28)***	0.13 (0.06)**	-0.14 (0.05)***	-0.67 (0.24)***	-0.71 (0.25)***	-3.57 (1.31)***
Pr(y = n)		0.037	0.046	0.049	0.139	0.094	0.089	0.129	0.077	0.196
Observations	2,351									
Pseudo R squared	0.011									

1 Percentage values

n.s.= the value is not significant and lesser than 0.01.

Table 5. Ordered Probit regression for considering income inequality as an incentive to workers (southern regions only)

	Coefficient	Marginal effects ¹								
		y=1	y=2	y=3	y=4	y=5	y=6	y=7	y=8	y=9
Male	0.071 (0.062)	-0.28 (0.25)	-0.28 (0.25)	-0.20 (0.18)	-0.29 (0.26)	n.s.	0.17 (0.15)	0.39 (0.34)	0.44 (0.39)	1.83 (1.60)
Income	0.013 (0.020)	-0.05 (0.08)	-0.05 (0.08)	-0.04 (0.06)	-0.05 (0.08)	n.s.	0.03 (0.05)	0.07 (0.11)	0.08 (0.13)	0.35 (0.52)
Age	-0.007 (0.003)**	0.03 (0.01)**	0.03 (0.01)**	0.02 (0.01)**	0.03 (0.01)**	n.s.	-0.02 (7*10-4)**	-0.04 (0.01)**	-0.04 (0.02)**	-0.17 (0.07)**
Part time worker	0.360 (0.122)***	-1.41 (0.50)***	-1.51 (0.56)***	-1.16 (0.45)***	-2.05 (0.90)**	-0.41 (0.32)	0.37 (0.14)***	1.49 (0.37)***	2.00 (0.62)***	10.41 (3.92)***
Self-employed worker	-0.189 (0.088)**	0.72 (0.34)**	0.71 (0.33)**	0.48 (0.22)**	0.06 (0.02)***	-0.14 (0.12)	-0.56 (0.31)*	-1.11 (0.56)**	-1.19 (0.58)**	-4.52 (1.98)**
Number of children	0.006 (0.019)	-0.02 (0.07)	-0.02 (0.08)	-0.02 (0.05)	-0.02 (0.08)	n.s.	0.01 (0.05)	0.03 (0.10)	0.04 (0.12)	0.15 (0.50)
Unemployed	-0.009 (0.131)	0.03 (0.51)	0.03 (0.52)	0.02 (0.37)	0.03 (0.52)	n.s.	-0.02 (0.32)	-0.05 (0.72)	-0.05 (0.81)	-0.22 (3.33)
Manager	0.175 (0.150)	-0.69 (0.60)	-0.72 (0.64)	-0.54 (0.50)	-0.87 (0.88)	-0.09 (0.20)	0.30 (0.16)*	0.84 (0.62)	1.04 (0.85)	4.79 (4.39)
Professional	0.238 (0.161)	-0.94 (0.65)	-0.99 (0.70)	-0.75 (0.56)	-1.25 (1.04)	-0.19 (0.28)	0.34 (0.11)***	1.08 (0.59)*	1.38 (0.87)	6.65 (4.91)
Office worker	0.278 (0.173)*	-1.10 (0.69)	-1.17 (0.75)	-0.89 (0.61)	-1.54 (1.20)	-0.28 (0.38)	0.33 (0.10)***	1.20 (0.55)**	1.58 (0.88)*	7.94 (5.94)
Foreman	0.304 (0.404)	-1.20 (1.56)	-1.28 (1.75)	-0.99 (1.44)	-1.76 (2.94)	-0.36 (1.00)	0.30 (0.23)	1.25 (1.06)	1.69 (1.92)	8.84 (13.11)
Skilled manual worker	0.015 (0.139)	-0.06 (0.54)	-0.06 (0.55)	-0.04 (0.40)	-0.06 (0.58)	n.s.	0.03 (0.32)	0.08 (0.74)	0.09 (0.85)	0.38 (3.59)
Semi skilled manual worker	0.029 (0.154)	-0.11 (0.61)	-0.11 (0.62)	-0.08 (0.45)	-0.12 (0.67)	n.s.	0.07 (0.33)	0.15 (0.80)	0.18 (0.94)	0.74 (4.03)
Unskilled manual worker	-0.179 (0.150)	0.68 (0.55)	0.66 (0.52)	0.45 (0.33)	0.53 (0.30)*	-0.15 (0.23)	-0.55 (0.57)	-1.06 (0.97)	-1.13 (0.97)	-4.23 (3.27)
Armed forces	0.193 (0.169)	-0.76 (0.67)	-0.80 (0.73)	-0.60 (0.57)	-0.99 (1.04)	-0.13 (0.25)	0.30 (0.14)**	0.90 (0.66)	1.13 (0.93)	5.35 (5.03)
Farmer (land owner)	0.213 (0.164)	-0.84 (0.66)	-0.89 (0.71)	-0.67 (0.55)	-1.10 (1.03)	-0.15 (0.27)	0.33 (0.12)***	0.99 (0.62)	1.25 (0.89)	5.93 (4.94)
Agricultural worker (non land owner)	-0.071 (0.121)	0.28 (0.47)	0.28 (0.47)	0.20 (0.33)	0.28 (0.46)	-0.02 (0.04)	-0.18 (0.32)	-0.39 (0.68)	-0.44 (0.76)	-1.80 (3.03)
Size of town	0.094 (0.038)**	-0.37 (0.15)**	-0.37 (0.16)**	-0.27 (0.11)**	-0.38 (0.16)**	0.01 (0.03)	0.23 (0.10)**	0.51 (0.21)**	0.58 (0.24)**	2.40 (0.95)**
South-East	0.013 (0.075)	-0.05 (0.29)	-0.05 (0.30)	-0.04 (0.21)	-0.05 (0.31)	n.s.	0.03 (0.18)	0.07 (0.40)	0.08 (0.46)	0.34 (1.92)
Central Highland	0.503 (0.099)***	-1.95 (0.44)***	-2.12 (0.49)***	-1.66 (0.40)***	-3.07 (0.79)***	-0.77 (0.33)**	0.28 (0.20)	1.82 (0.31)***	2.64 (0.49)***	15.08 (3.33)***
Central Coast	-0.066 (0.092)	0.26 (0.35)	0.26 (0.35)	0.18 (0.25)	0.25 (0.32)	-0.02 (0.05)	-0.17 (0.25)	-0.37 (0.52)	-0.41 (0.58)	-1.66 (2.26)
Year 2006	-0.200 (0.063)***	0.78 (0.27)***	0.80 (0.27)***	0.57 (0.20)***	0.84 (0.29)***	n.s.	-0.45 (0.15)***	-1.05 (0.34)***	-1.22 (0.39)***	-1.22 (0.39)***
Pr(y = n)		0.044	0.056	0.052	0.143	0.090	0.096	0.104	0.077	0.077
Observations	1,224									
Pseudo R squared	0.019									

1 Percentage values
n.s.= the value is not significant and lesser than 0.01.

Table 6. Ordered Probit regression for considering income inequality as an incentive to workers (northern regions only)

	Coefficient	Marginal effects ¹								
		y=1	y=2	y=3	y=4	y=5	y=6	y=7	y=8	y=9
Male	0.212 (0.067)***	-0.75 (0.27)***	-0.78 (0.27)***	-0.86 (0.30)***	-1.59 (0.51)***	-0.45 (0.16)***	0.05 (0.07)	1.13 (0.39)***	1.10 (0.37)***	6.15 (1.93)***
Income	0.044 (0.24)*	-0.16 (0.09)*	-0.16 (0.09)*	-0.18 (0.10)*	-0.34 (0.19)*	-0.10 (0.06)*	n.s.	0.23 (0.13)*	0.23 (0.13)*	1.28 (0.70)*
Age	-0.002 (0.003)	n.s.	n.s.	n.s.	0.01 (0.02)	n.s.	n.s.	-0.01 (0.01)	-0.01 (0.01)	-0.06 (0.08)
Part time worker	-0.105 (0.118)	0.38 (0.43)	0.39 (0.43)	0.42 (0.47)	0.75 (0.79)	0.18 (0.16)	0.06 (0.11)	-0.62 (0.77)	-0.56 (0.65)	-2.95 (3.19)
Self-employed worker	-0.108 (0.080)	0.39 (0.30)	0.40 (0.30)	0.43 (0.33)	0.78 (0.56)	0.20 (0.13)	0.05 (0.07)	-0.62 (0.50)	-0.58 (0.44)	-3.06 (2.22)
Number of children	0.001 (0.027)	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	n.s.	0.03 (0.08)
Unemployed	-0.087 (0.211)	0.31 (0.76)	0.32 (0.77)	0.35 (0.83)	0.62 (1.43)	0.16 (0.30)	-0.04 (1.08)	-0.50 (1.33)	-0.46 (1.16)	-2.44 (5.75)
Manager	0.066 (0.190)	-0.23 (0.66)	-0.24 (0.70)	-0.27 (0.79)	-0.52 (1.54)	-0.16 (0.52)	n.s.	0.32 (0.85)	0.33 (0.94)	1.95 (5.79)
Professional	-0.076 (0.180)	0.27 (0.64)	0.28 (0.66)	0.31 (0.71)	0.55 (1.24)	0.14 (0.27)	-0.04 (0.13)	-0.44 (1.11)	-0.41 (0.98)	-2.15 (4.95)
Office worker	0.003 (0.240)	-0.01 (0.85)	-0.01 (0.89)	-0.01 (0.98)	-0.02 (1.83)	-0.01 (0.53)	n.s.	0.02 (1.26)	0.02 (1.24)	0.09 (0.70)
Foreman	-0.346 (0.373)	1.24 (1.33)	1.22 (1.22)	1.27 (1.16)	1.93 (1.23)	0.16 (0.50)	-0.54 (1.08)	-2.53 (3.33)	-1.96 (2.20)	-8.66 (7.81)
Skilled manual worker	-0.140 (0.172)	0.50 (0.62)	0.51 (0.63)	0.56 (0.67)	0.98 (1.10)	0.23 (0.19)	-0.09 (0.20)	-0.85 (1.16)	-0.76 (0.96)	-3.89 (4.54)
Semi skilled manual worker	-0.068 (0.221)	0.24 (0.79)	0.25 (0.81)	0.27 (0.88)	0.50 (1.54)	0.13 (0.35)	-0.03 (0.16)	-0.39 (1.35)	-0.36 (1.20)	-1.93 (6.11)
Unskilled manual worker	-0.337 (0.250)	1.21 (0.90)	1.20 (0.84)	1.24 (0.80)	1.94 (0.93)**	0.20 (0.29)	-0.50 (0.68)	-2.42 (2.20)	-1.90 (1.48)	-8.54 (5.38)
Armed forces	-0.358 (0.195)*	1.28 (0.72)*	1.27 (0.67)*	1.33 (0.65)**	2.08 (0.76)***	0.22 (0.24)	-0.51 (0.53)	-2.55 (1.70)	2.01 (1.15)*	-9.12 (4.21)**
Farmer (land owner)	-0.383 (0.220)*	1.37 (0.79)*	1.35 (0.73)	1.39 (0.69)**	2.11 (0.74)***	0.16 (0.33)	-0.61 (0.65)	-2.80 (1.99)	-2.16 (1.31)*	-9.53 (4.56)**
Agricultural worker (non land owner)	-0.403 (0.150)***	1.41 (0.57)**	1.46 (0.58)***	1.61 (0.63)***	2.96 (1.10)***	0.81 (0.32)***	-0.11 (0.14)	-2.16 (0.85)***	-2.08 (0.79)***	-11.58 (4.26)***
Size of town	-0.059 (0.040)	0.21 (0.15)	0.22 (0.15)	0.24 (0.17)	0.45 (0.31)	0.13 (0.09)	-0.01 (0.02)	-0.31 (0.21)	-0.31 (0.21)	-1.72 (1.17)
North-Central	-0.014 (0.085)	0.05 (0.30)	0.05 (0.31)	0.06 (0.34)	0.11 (0.64)	0.03 (0.18)	n.s.	0.08 (0.46)	-0.07 (0.44)	-0.41 (2.44)
North-East	-0.123 (0.082)	0.44 (0.30)	0.45 (0.31)	0.50 (0.33)	0.90 (0.57)	0.23 (0.13)*	-0.05 (0.07)	-0.70 (0.50)	-0.65 (0.45)	-3.50 (2.28)
North-West	-0.791 (0.146)***	2.60 (0.57)***	2.41 (0.47)***	2.28 (0.38)***	2.52 (0.56)***	-0.87 (0.69)	-2.05 (0.72)***	-6.56 (1.55)***	-4.41 (0.88)***	-16.84 (2.06)***
Year 2006	-0.060 (0.073)	0.21 (0.26)	0.22 (0.27)	0.25 (0.30)	0.46 (0.57)	0.14 (0.18)	n.s.	-0.31 (0.37)	-0.31 (0.37)	-1.77 (2.17)
Pr(y = n)		0.031	0.037	0.048	0.140	0.102	0.085	0.158	0.078	0.213
Observations	1,127									
Pseudo R squared	0.020									

1 Percentage values
n.s.= the value is not significant and lesser than 0.01.

Table 7. Ordered Probit regression for desiring an increase of the state ownership of firms

	Coefficient	Marginal effects ¹								
		y=1	y=2	y=3	y=4	y=5	y=6	y=7	y=8	y=9
Male	-0.031 (0.045)	0.15 (0.23)	0.13 (0.20)	0.11 (0.16)	0.02 (0.03)	-0.14 (0.21)	-0.10 (0.16)	-0.16 (0.23)	-0.12 (0.27)	-0.60 (0.90)
Income	-0.013 (0.016)	0.07 (0.08)	0.06 (0.07)	0.05 (0.06)	0.01 (0.01)	-0.06 (0.07)	-0.04 (0.05)	-0.07 (0.08)	-0.08 (0.09)	-0.26 (0.31)
South	-0.026 (0.054)	0.13 (0.27)	0.12 (0.24)	0.09 (0.19)	0.02 (0.04)	-0.12 (0.25)	0.08 (0.17)	-0.13 (0.28)	-0.15 (0.31)	-0.52 (1.06)
Age	-0.014 (-0.008)*	0.07 (0.04)*	0.06 (0.03)*	0.05 (0.03)*	n.s.	-0.07 (0.04)*	-0.05 (0.03)*	-0.07 (0.04)*	-0.08 (0.05)*	-0.28 (0.15)*
Age squared	2*10 ⁻⁴ (8*10 ⁻⁵)**	-9*10 ⁻⁴ (-1*10 ⁻⁵)**	-8*10 ⁻⁴ (-1*10 ⁻⁵)**	-6*10 ⁻⁴ (-1*10 ⁻⁵)**	n.s.	8*10 ⁻⁴ (-1*10 ⁻⁵)**	6*10 ⁻⁴ (-1*10 ⁻⁵)**	9*10 ⁻⁴ (-1*10 ⁻⁵)**	1*10 ⁻³ (-1*10 ⁻⁵)**	3*10 ⁻³ (-1*10 ⁻⁵)**
Part time worker	0.078 (0.084)	-0.40 (0.43)	-0.36 (0.39)	-0.30 (0.34)	-0.10 (0.17)	0.34 (0.34)	0.25 (0.26)	0.40 (0.42)	0.46 (0.50)	1.62 (1.80)
Self-employed worker	0.242 (0.059)**	-1.24 (0.32)**	-1.14 (0.30)**	-0.99 (0.28)**	-0.56 (0.25)**	0.92 (0.20)**	0.72 (0.18)**	1.19 (0.30)**	1.41 (0.37)**	5.28 (1.39)**
Number of children	0.044 (0.016)**	-0.22 (0.08)**	-0.20 (0.07)**	-1.58 (0.06)**	-0.03 (0.02)	0.21 (0.08)**	0.14 (0.05)**	0.23 (0.09)**	0.26 (0.10)**	0.88 (0.33)**
Unemployed	-0.238 (0.113)**	1.14 (0.52)**	0.94 (0.39)**	0.67 (0.24)**	-0.31 (0.38)	-1.33 (0.72)*	-0.83 (0.42)**	-1.25 (0.61)**	-1.36 (0.62)**	-4.20 (1.76)**
Manager	-0.257 (0.124)**	1.22 (0.55)**	0.99 (0.41)**	0.69 (0.23)**	-0.41 (0.49)	-1.47 (0.82)*	-0.91 (0.47)*	-1.36 (0.67)**	-1.46 (0.69)**	-4.45 (1.84)**
Professional	-0.200 (0.121)*	0.97 (0.56)*	0.80 (0.43)*	0.58 (0.27)**	-0.22 (0.36)	-1.10 (0.76)	-0.70 (0.45)	-1.05 (0.65)*	-1.15 (0.68)*	-3.58 (1.94)*
Office worker	0.020 (0.147)	-0.10 (0.74)	-0.09 (0.66)	-0.07 (0.54)	-0.02 (0.15)	0.09 (0.66)	0.07 (0.47)	0.10 (0.75)	0.12 (0.86)	0.40 (2.97)
Foreman	0.190 (0.368)	-0.97 (1.90)	-0.90 (1.84)	-0.80 (1.74)	-0.49 (1.63)	0.07 (0.96)	0.56 (0.94)	0.93 (1.69)	1.11 (2.13)	4.21 (8.98)
Skilled manual worker	-0.171 (0.114)	0.83 (0.54)	0.70 (0.43)*	0.52 (0.29)*	-0.13 (0.27)	-0.92 (0.69)	-0.59 (0.42)	-0.90 (0.61)	-0.98 (0.65)	-3.11 (1.90)*
Semi skilled manual worker	-0.177 (0.126)	0.86 (0.59)	0.71 (0.46)	0.52 (0.29)*	-0.18 (0.34)	-0.97 (0.78)	-0.61 (0.46)	-0.93 (0.67)	-1.02 (0.71)	-3.18 (2.05)
Unskilled manual worker	-0.011 (0.143)	0.06 (0.72)	0.05 (0.62)	0.04 (0.05)	n.s.	-0.05 (0.69)	-0.04 (0.47)	-0.06 (0.74)	-0.07 (0.83)	-0.22 (2.80)
Armed forces	0.071 (0.132)	-0.36 (0.68)	-0.32 (0.62)	-0.27 (0.53)	-0.09 (0.26)	0.31 (0.53)	0.23 (0.40)	0.36 (0.66)	0.42 (0.77)	1.47 (2.82)
Farmer (land owner)	-0.159 (0.132)	0.78 (0.62)	0.65 (0.49)	0.48 (0.33)	-0.13 (0.31)	-0.86 (0.79)	-0.55 (0.47)	-0.84 (0.70)	-0.92 (0.75)	-2.89 (2.20)
Agricultural worker (non land owner)	-0.251 (0.098)**	1.25 (0.49)**	1.08 (0.41)**	0.85 (0.32)**	0.05 (0.13)	-1.23 (0.51)**	-0.83 (0.34)**	-1.30 (0.51)**	-1.46 (0.57)**	-4.86 (1.84)**
Size of town	0.018 (0.026)	-0.09 (0.13)	-0.08 (0.11)	-0.06 (0.09)	-0.01 (0.02)	0.08 (0.12)	0.06 (0.08)	0.09 (0.13)	0.10 (0.15)	0.35 (0.51)
Year 2006	-0.152 (0.046)**	0.77 (0.24)**	0.68 (0.22)**	0.56 (0.18)**	0.15 (0.10)	-0.69 (0.21)**	-0.49 (0.15)**	-0.78 (0.24)**	-0.89 (0.28)**	-3.07 (0.97)**
Pr(y = n)		0.059	0.069	0.086	0.209	0.120	0.051	0.063	0.056	0.119
Observations	2,259									
Pseudo R squared	0.008									

1 Percentage values

n.s.= the value is not significant and lesser than 0.01.

Table 8. Ordered Probit regression for desiring an increase of the state ownership of firms (southern regions only)

	Coefficient	Marginal effects ¹								
		y=1	y=2	y=3	y=4	y=5	y=6	y=7	y=8	y=9
Male	-0.043 (0.064)	0.20 (0.30)	0.17 (0.25)	0.15 (0.23)	0.05 (0.08)	-0.21 (0.31)	-0.17 (0.26)	-0.22 (0.32)	-0.23 (0.34)	-0.82 (1.22)
Income	-0.003 (0.020)	0.01 (0.10)	0.01 (0.08)	0.01 (0.07)	n.s. (0.10)	-0.01 (0.08)	-0.01 (0.10)	-0.01 (0.10)	-0.02 (0.11)	-0.06 (0.39)
Age	-0.014 (0.011)	0.07 (0.05)	0.06 (0.04)	0.05 (0.04)	0.02 (0.02)	-0.07 (0.05)	-0.06 (0.04)	-0.07 (0.04)	-0.08 (0.06)	-0.27 (0.21)
Age squared	n.s. (0.011)	n.s. (0.05)	n.s. (0.04)	n.s. (0.04)	n.s. (0.02)	n.s. (0.05)	n.s. (0.04)	n.s. (0.04)	n.s. (0.06)	n.s. (0.21)
Part time worker	0.002 (0.120)	-0.01 (0.57)	-0.01 (0.47)	n.s. (0.47)	n.s. (0.47)	0.01 (0.58)	n.s. (0.61)	0.01 (0.61)	0.01 (0.64)	0.04 (2.32)
Self-employed worker	0.301 (0.092)***	-1.45 (0.47)***	-1.26 (0.43)***	-1.24 (0.44)***	-1.10 (0.59)**	1.13 (0.29)***	1.09 (0.33)***	1.45 (0.45)***	1.60 (0.52)***	6.56 (2.22)***
Number of children	0.051 (0.022)**	-0.24 (0.11)**	-0.20 (0.09)**	-0.18 (0.08)**	-0.06 (0.05)	0.25 (0.11)**	0.21 (0.09)**	0.26 (0.11)**	0.27 (0.12)**	0.97 (0.42)**
Unemployed	-0.274 (0.153)*	1.24 (0.66)*	0.97 (0.49)**	0.80 (0.36)**	-0.33 (0.56)	-1.56 (0.99)	-1.18 (0.69)*	-1.40 (0.80)*	-1.41 (0.78)*	-4.65 (2.30)**
Manager	-0.540 (0.183)***	2.15 (0.60)***	1.51 (0.33)***	1.00 (0.19)***	-2.27 (1.70)	-3.50 (1.40)**	-2.38 (0.85)***	-2.69 (0.90)***	-2.58 (0.81)***	-7.68 (1.87)***
Professional	-0.195 (0.179)	0.89 (0.78)	0.70 (0.59)	0.59 (0.44)	-0.16 (0.52)	-1.09 (1.12)	-0.83 (0.80)	-1.00 (0.93)	-1.01 (0.90)	-3.37 (2.78)
Office worker	0.097 (0.203)	-0.46 (0.98)	-0.39 (0.85)	-0.37 (0.82)	-0.21 (0.66)	0.43 (0.81)	0.38 (0.76)	0.48 (1.00)	0.52 (1.09)	1.96 (4.32)
Foreman	0.676 (0.564)	-3.07 (2.18)	-2.91 (2.31)	-3.20 (2.89)	-5.42 (7.52)	0.71 (1.72)	1.56 (0.25)***	2.56 (1.05)**	3.26 (2.01)*	18.29 (19.42)
Skilled manual worker	-0.258 (0.168)	1.16 (0.71)*	0.90 (0.51)*	0.73 (0.36)**	-0.37 (0.69)	-1.49 (1.11)	-1.11 (0.76)	-1.32 (0.87)	-1.33 (0.83)	-4.33 (2.44)**
Semi skilled manual worker	-0.239 (0.183)	1.07 (0.77)	0.83 (0.56)	0.68 (0.39)*	-0.34 (0.75)	-1.38 (1.21)	-1.03 (0.85)	-1.23 (0.95)	-1.23 (0.91)	-4.00 (2.65)
Unskilled manual worker	-0.137 (0.186)	0.64 (0.84)	0.51 (0.65)	0.44 (0.52)	-0.04 (0.33)	-0.74 (1.10)	-0.58 (0.85)	-0.70 (0.96)	-0.72 (0.96)	-2.45 (3.07)
Armed forces	-0.032 (0.204)	0.15 (0.96)	0.13 (0.78)	0.11 (0.69)	0.03 (0.10)	-1.62 (1.05)	-0.13 (0.85)	-0.16 (1.05)	-0.17 (1.08)	-0.61 (3.79)
Farmer (land owner)	0.038 (0.183)	-0.18 (0.87)	-0.15 (0.74)	-0.14 (0.69)	-0.06 (0.36)	0.18 (0.83)	0.15 (0.72)	0.19 (0.92)	0.20 (0.98)	0.75 (3.65)
Agricultural worker (non land owner)	-0.370 (0.148)**	1.70 (0.68)**	1.37 (0.53)***	1.19 (0.44)***	-0.02 (0.35)	-1.95 (0.85)**	-1.54 (0.64)**	-1.88 (0.78)**	-1.93 (0.79)**	-6.69 (2.54)***
Size of town	0.040 (0.036)	-0.19 (0.17)	-0.16 (0.14)	-0.14 (0.13)	-0.05 (0.05)	0.20 (0.17)	0.16 (0.14)	0.20 (0.18)	0.21 (0.19)	0.77 (0.67)
South-East	-0.109 (0.078)	0.51 (0.37)	0.42 (0.30)	0.37 (0.26)	0.06 (0.09)	-0.56 (0.42)	-0.45 (0.33)	-0.56 (0.40)	-0.58 (0.42)	-2.03 (1.42)
Central Highland	-0.139 (0.096)	0.65 (0.44)	0.52 (0.35)	0.45 (0.29)	-0.01 (0.16)	-0.75 (0.56)	-0.59 (0.42)	-0.71 (0.50)	-0.73 (0.50)	-2.50 (1.62)
Central Coast	0.513 (0.095)***	-2.43 (0.52)***	-2.17 (0.49)***	-2.19 (0.52)***	-2.41 (0.85)***	1.59 (0.28)***	1.70 (0.32)***	2.36 (0.48)***	2.68 (0.58)***	11.81 (2.56)***
Year 2006	-0.203 (0.065)***	0.96 (0.33)***	0.80 (0.27)**	0.74 (0.25)**	0.31 (0.20)	-0.95 (0.32)***	-0.81 (0.27)***	-1.02 (0.35)***	-1.08 (0.36)**	-3.97 (1.30)***
Pr(y = n)		0.055	0.059	0.077	0.245	0.116	0.060	0.058	0.049	0.113
Observations	1,184									
Pseudo R squared	0.021									

1 Percentage values
n.s.= the value is not significant and lesser than 0.01.

Table 9. Ordered Probit regression for desiring an increase of the state ownership of firms (northern regions only)

	Coefficient	Marginal effects ¹								
		y=1	y=2	y=3	y=4	y=5	y=6	y=7	y=8	y=9
Male	-0.043 (0.068)	0.24 (0.38)	0.22 (0.36)	0.16 (0.26)	0.02 (0.04)	-0.21 (0.34)	-0.12 (0.19)	-0.24 (0.38)	-0.28 (0.45)	-0.83 (1.32)
Income	-0.012 (0.026)	0.07 (0.14)	0.06 (0.14)	0.04 (0.10)	n.s. (0.13)	-0.06 (0.07)	-0.03 (0.14)	-0.06 (0.14)	-0.08 (0.17)	-0.22 (0.50)
Age	-0.016 (0.012)	0.09 (0.07)	0.08 (0.06)	0.06 (0.05)	n.s. (0.06)	-0.08 (0.06)	-0.04 (0.03)	-0.09 (0.07)	-0.10 (0.08)	-0.31 (0.23)
Age squared	2*10 ⁻³ (1*10 ⁻³) [*]	-1*10 ⁻³ (<1*10 ⁻³) [*]	-1*10 ⁻³ (<1*10 ⁻³) [*]	-9*10 ⁻⁴ (<1*10 ⁻³) [*]	n.s. (0.13)	1*10 ⁻³ (<1*10 ⁻³) [*]	6*10 ⁻⁴ (<1*10 ⁻⁴) [*]	1*10 ⁻³ (<1*10 ⁻³) [*]	1*10 ⁻³ (<1*10 ⁻³) [*]	4*10 ⁻³ (1*10 ⁻³) [*]
Part time worker	0.183 (0.114)	-1.03 (0.66)	-1.00 (0.66)	-0.80 (0.57)	-0.32 (0.37)	0.74 (0.38)**	0.46 (0.27)*	0.97 (0.60)*	1.21 (0.78)	3.85 (2.59)
Self-employed worker	0.186 (0.082)**	-1.05 (0.47)**	-1.01 (0.47)**	-0.79 (0.39)**	-0.27 (0.23)	0.79 (0.32)**	0.48 (0.21)**	1.00 (0.44)**	1.23 (0.56)**	3.84 (1.78)
Number of children	0.023 (0.026)	-0.13 (0.14)	-0.12 (0.13)	-0.09 (0.10)	n.s. (0.13)	0.11 (0.13)	0.06 (0.07)	0.13 (0.14)	0.15 (0.17)	0.44 (0.49)
Unemployed	-0.204 (0.189)	1.10 (0.98)	0.95 (0.78)	0.60 (0.40)	-0.25 (0.56)	-1.20 (1.28)	-0.60 (0.60)	-1.16 (1.09)	-1.31 (1.19)	-3.48 (2.86)
Manager	-0.084 (0.168)	0.46 (0.92)	0.42 (0.81)	0.29 (0.53)	-0.02 (0.16)	-0.45 (0.97)	-0.24 (0.50)	-0.47 (0.96)	-0.55 (1.09)	-1.54 (2.94)
Professional	-0.341 (0.166)**	1.76 (0.79)**	1.46 (0.56)***	0.81 (0.21)***	-0.75 (0.81)	-2.16 (1.26)*	-1.03 (0.55)*	-1.94 (0.97)**	-2.14 (0.99)**	-5.42 (2.15)**
Office worker	0.017 (0.215)	-0.10 (1.20)	-0.09 (1.13)	-0.07 (0.84)	n.s. (0.84)	0.08 (1.03)	0.05 (0.58)	0.09 (1.18)	0.11 (1.42)	0.33 (4.20)
Foreman	-0.174 (0.448)	0.94 (2.31)	0.83 (1.88)	0.52 (0.98)	0.20 (1.19)	-1.02 (2.98)	-0.52 (1.40)	-0.99 (2.58)	-1.13 (2.82)	-3.01 (0.69)
Skilled manual worker	-0.088 (0.156)	0.49 (0.85)	0.44 (0.75)	0.30 (0.49)	-0.02 (0.15)	-0.47 (0.90)	-0.25 (0.46)	-0.49 (0.89)	-0.58 (1.01)	-1.61 (2.73)
Semi skilled manual worker	-0.101 (0.174)	0.55 (0.94)	0.50 (0.82)	0.34 (0.52)	-0.04 (0.23)	-0.55 (1.03)	-0.29 (0.52)	-0.57 (1.00)	-0.66 (1.13)	-1.82 (0.30)
Unskilled manual worker	0.269 (0.247)	-1.51 (1.38)	-1.52 (1.47)	-1.27 (1.37)	-0.69 (1.17)	0.92 (0.46)**	0.63 (0.46)	1.37 (1.13)	1.76 (1.59)	5.96 (6.25)
Armed forces	0.137 (0.174)	-0.77 (0.98)	-0.74 (0.99)	-0.58 (0.82)	-0.19 (0.44)	0.59 (0.62)	0.35 (0.42)	0.74 (0.90)	0.90 (1.15)	2.81 (3.83)
Farmer (land owner)	-0.325 (0.199)*	1.68 (0.93)*	1.40 (0.66)**	0.77 (0.22)***	-0.72 (0.97)	-2.07 (1.51)	-0.99 (0.66)	-1.86 (1.15)*	-2.05 (1.18)*	-5.17 (2.59)**
Agricultural worker (non land owner)	-0.194 (0.129)	1.08 (0.73)	1.00 (0.66)	0.72 (0.47)	0.05 (0.12)	-0.97 (0.67)	-0.54 (0.37)	1.08 (0.73)	-1.27 (0.85)	-3.69 (2.43)
Size of town	0.037 (0.040)	-0.21 (0.22)	-0.19 (0.21)	-0.14 (0.15)	-0.01 (0.03)	0.18 (0.20)	0.10 (0.11)	0.20 (0.22)	0.24 (0.27)	0.71 (0.77)
North-Central	-0.119 (0.077)	0.66 (0.43)	0.60 (0.39)	0.42 (0.26)*	-0.02 (0.09)	-0.63 (0.43)	-0.34 (0.23)	-0.67 (0.45)	-0.78 (0.51)	-2.20 (1.38)
North-East	-0.255 (0.090)***	1.39 (0.52)***	1.24 (0.42)***	0.82 (0.25)***	-0.18 (0.25)	-1.43 (0.60)**	-0.74 (0.30)**	-1.44 (0.54)***	-1.66 (0.59)***	-4.54 (1.47)***
North-West	-0.222 (0.154)	1.19 (0.80)	1.04 (0.64)*	0.65 (0.32)**	-0.28 (0.48)	-1.31 (1.06)	-0.66 (0.49)	-1.26 (0.90)	-1.43 (0.96)	-3.79 (2.30)*
Year 2006	-0.033 (0.071)	0.18 (0.40)	0.17 (0.37)	0.12 (0.27)	0.02 (0.04)	-0.16 (0.34)	-0.09 (0.19)	-0.18 (0.39)	-0.22 (0.46)	-0.63 (1.37)
Pr(y = n)		0.063	0.081	0.099	0.180	0.131	0.044	0.068	0.062	0.113
Observations	1,075									
Pseudo R squared	0.012									

1 Percentage values

n.s.= the value is not significant and lesser than 0.01.

ⁱ Indeed the Communist Party of Vietnam (CPV) had already started to discuss some economic reforms in the early 1960s, but then the council of the CPV did not authorise to proceed.

ⁱⁱ In reality the economy of South Vietnam was never completely transformed into a socialist system. All the attempts generated poor results. This point will be discussed more extensively in the second section of the paper.

ⁱⁱⁱ Here and in the following of the paper, “northern” refers always (if not differently indicated) to former North Vietnam, and “southern” to former South Vietnam.

^{iv} However Jenkins (2004) claims that, at the time he wrote his article, several restrictions were still operating, and the success of Vietnamese trade has to be found in the low cost of labour, rather than in the undertaken liberalisation.

^v Nguyen et al. (2007), p. 480. This finding is consistent with Vecernik (1995), Orazem and Vodopivec (1995), Rutkowski (1996) and Brainerd (1998) for Eastern Europe.

^{vi} For practical reasons due to the applied methodology (namely ordered probit regressions), all the variables coded in the range [1 – 10] were rescaled to [0 – 9].

^{vii} Details can be found in the Appendix available online.

^{viii} Very recently Croson and Gneezy (2009) have claimed that it is nurture more than nature to determine the gender effect observed in many economic papers.

^{ix} Life expectancy in Vietnam is around 70 years.

^x Since people do not know *ex ante* if the reforms will bring benefits for them, nor who will gain from them, people could be against a reform, that would be accepted *ex post* (see Fernandez and Rodrik, 1991).

^{xi} This also as a consequence of the fact that it was the army to establish the socialist regime in the country.

^{xii} These are: Northeast, Northwest, Red River Delta, North Central Coast, South Central Coast, Central Highlands, Southeast and Mekong River Delta.

^{xiii} Glewwe et al. (2004), p. 59.

^{xiv} Remember that originally wages were almost equal for any category of workers and employees, and almost no rents or capital gains existed.

^{xv} This is true if we consider the average figure; the situation changes if the median point is considered. While this distinction is not necessary for the other variables, as the average point is always far from the median point; here North and South are positioned on the two opposite sides of the river (represented by the median point). Hence, if the median voter theorem is assumed, North and South have different preferences about the relevance of the government as firm owner.