

Impact of Economic Openness on Per Capita Income: Evidence from Vietnam

Nguyen The Khang

*University of Finance - Marketing
Ho Chi Minh City, Vietnam*

Email: nguyenthekhang@ufm.edu.vn

Abstract: The paper investigates the impact of economic openness on Vietnam's per capita income between 2000 and 2020, using the Pooled Mean Group method for panel data of 63 regions in Vietnam. The results show that economic openness has a positive effect on income in the short and long term. The further finding is that the coefficient of economic openness impacting on income in the short term is weaker than in the long term. The reason may be due to the lag in the short-term impact, but creating a positive long-term spillover of foreign capital flows to the economic growth.

Keywords: Economic, Growth, Openness, Trade, FDI

JEL Classification Number: O47, F43, H54

Citation: Khang, N.T., 2022, Impact of Economic Openness on Per Capita Income: Evidence from Vietnam. *Empirical Economics Letters*, 21, 4, 15- 31.