

DEVELOPING THE TEAM OF VIETNAMESE ENTREPRENEURS NOWADAYS: INFLUENCING FACTORS AND SOME POLICY RECOMMENDATIONS

Tran H.Q.

*Tran Huy Quang - Master, lecturer,
FACULTY OF POLITICAL SCIENCE AND HUMANITIES,
FOREIGN TRADE UNIVERSITY;*

*PhD student,
VNU UNIVERSITY OF SOCIAL SCIENCES AND HUMANITIES;
HANOI, SOCIALIST REPUBLIC OF VIETNAM*

Abstract: during the Doi Moi period in Vietnam since 1986, the team of entrepreneurs has rapidly emerged and developed, becoming a vital force in the country's economic revitalization. However, growing enterprises and the team of entrepreneurs face many issues that need to be further researched and addressed both theoretically and practically. The paper clarifies the concept of entrepreneurs and the development of the community of entrepreneurs. It then analyzes and identifies the principal factors influencing the development of the team of entrepreneurs, such as social and psychological factors, the competitive environment, legal environment, institutions, policies for the economic development of each country, the capacity, attitude, and behavior of government agencies at various levels, openness, integration, and economic globalization, and the nation's business traditions. Based on these influencing factors, the author offers policy recommendations from the state management perspective to develop the Vietnamese entrepreneurs' community. These recommendations include continuing to unify awareness of the role of the team of entrepreneurs in the cause of industrialization and modernization, improving the socialist-oriented market economy, creating, perfecting, and specifying legal regulations, promoting administrative reforms to serve entrepreneurs better, making fundamental changes in training and fostering entrepreneurs, and enhancing the role of organizations representing the business community and team of entrepreneurs.

Keywords: entrepreneur, developing entrepreneurs, and policies for developing entrepreneurs.

РАЗВИТИЕ КОМАНДЫ ВЬЕТНАМСКИХ ПРЕДПРИНИМАТЕЛЕЙ В НАСТОЯЩЕЕ ВРЕМЯ: ВЛИЯЮЩИЕ ФАКТОРЫ И НЕКОТОРЫЕ ПОЛИТИЧЕСКИЕ РЕКОМЕНДАЦИИ

Тран Х.К.

*Тран Хай Куанг - магистр, преподаватель,
факультет политологии и гуманитарных наук,
Иностраный торговый университет;
Аспирант,*

*Университет социальных наук и гуманитарных наук VNU;
г. Ханой, Социалистическая Республика Вьетнам*

Аннотация: в течение периода «Дой мой» во Вьетнаме с 1986 года команда предпринимателей быстро появилась и развилась, став жизненно важной силой в экономическом оживлении страны. Тем не менее, растущие предприятия и команда предпринимателей сталкиваются со многими проблемами, которые должны быть дополнительно изучены и решаются как теоретически, так и практически. В документе разъясняется концепция предпринимателей и развитие сообщества предпринимателей. Затем он анализирует и определяет основные факторы, влияющие на развитие команды предпринимателей, таких как социальные и психологические факторы, конкурентная среда, юридическая среда, институты, политика экономического развития каждой страны, способность, отношение и поведение Правительственные учреждения на разных уровнях, открытости, интеграции и экономической глобализации, а также деловые традиции страны. Основываясь на этих влиятельных факторах, автор предлагает политические рекомендации с точки зрения государственного управления для развития вьетнамского сообщества предпринимателей. Эти рекомендации включают в себя продолжение объединения осведомленности о роли команды предпринимателей в деле индустриализации и модернизации, улучшение социалистической рыночной экономики, создание, совершенствование и определение юридических правил, содействие административным реформам для лучшего обслуживания предпринимателей, создание фундаментальных Изменения в обучении и воспитании предпринимателей и улучшение роли организаций, представляющих бизнес -сообщество и команду предпринимателей.

Ключевые слова: предприниматель, развивающиеся предприниматели и политика для разработки предпринимателей.

Introduction

Since the Doi Moi period, the Vietnamese entrepreneur's team has continuously grown. Currently, they are present in all sectors of production and business, such as industry, agriculture, and services, providing substantial resources for the economy.

The renovation process in Vietnam is entering a new phase in the context of accelerating industrialization, modernization, and international integration. The team of entrepreneurs represents new forces in the socialist-oriented market economy and is one of the decisive factors in achieving the goal of industrialization and modernization. Developing a team of entrepreneurs is a breakthrough that contributes to socio-economic development, reduces the risk of falling behind, and enhances Vietnam's position in the new era. The document of the 13th National Congress of the Communist Party of Vietnam affirms: "Develop a powerful team of entrepreneurs in terms of quantity and quality, with a spirit of dedication to the nation, progressive cultural and ethical standards, and excellent management and business skills" [1, p. 167]. However, developing the team of entrepreneurs depends on many objective and subjective factors. Therefore, clarifying the factors that affect the development of the team of entrepreneurs in Vietnam, thereby giving policy orientations to advance this team further in the coming time, is an urgent task.

1. The concept of entrepreneur and development of the team of entrepreneurs

** The concept of entrepreneur*

The concept of entrepreneur began to emerge in the West in the 18th century, the period of formation of the capitalist mode of production and the First Industrial Revolution. Although from different aspects and perspectives, Western economists share the same view that an entrepreneur is a person who combines various factors of production and organizes the production and business process to create new, higher value, regardless of the form of ownership, type of business, and scale of business. The concept of entrepreneur is closely linked to three constituent elements: risk taker, production and business organizer, and innovator.

The concept of "entrepreneur" has recently appeared in Vietnam. During the feudal period and the French colonial period, the Vietnamese referred to people who engaged in business activities as "bosses," "merchants," "contractors," "traders," "industrialists," "business owners," or "bourgeoisie." During the period when the Vietnamese economy operated under a centrally planned mechanism, the concept of "entrepreneur" hardly existed, as the managers of state-owned enterprises were also state officials appointed by the Vietnamese government like other civil servants. The leaders of state-owned enterprises during this period acted according to the orders of the State and were not professional business people. Since the concept of "entrepreneur" has recently emerged in Vietnam, it has various approaches and understandings.

Some people believe that, according to Sino-Vietnamese, "doanh nhân" is a compound word. "Doanh" means business, and "nhân" means person, so "doanh nhân" means a business person. Others think that "doanh" means profit, so "doanh nhân" is a person who makes a profit. *The Vietnamese Dictionary* edited by Hoang Phe defines "doanh nhân" as "a person who engages in business." It also includes the term "doanh gia," which is defined as "a prominent entrepreneur or a well-known businessperson" [2].

According to the "Encyclopedia (Vietnamese)" published by the Encyclopedia Publishing House in 2011, an *entrepreneur* is a person who organizes production and business, supplies goods and services to the market, and meets consumer demands. Entrepreneurs have appeared and existed throughout human history, along with the production of goods and the market.

Nowadays, there are many different concepts about an entrepreneur. In our opinion, *entrepreneurs are those who directly lead, manage, and operate enterprises' production and business activities to create new values for society. They possess courage, competence, and business ethics and are the key force in designing and developing business models that meet the requirements of the modern market economy.*

** Concept of developing the team of entrepreneurs:*

For a nation to become wealthy and thrive, in addition to having correct and effective macroeconomic strategy and guidelines, it needs a robust system of enterprises with qualified, reputable, and talented entrepreneurs. Thus, developing a team of entrepreneurs is a requirement and an inevitable task in the process of being a prosperous country.

Developing a team of entrepreneurs includes a set of solutions aimed at increasing the quantity, optimizing the structure, and especially enhancing the quality of entrepreneurs in enterprises, which must align with goals and strategies for the nation's socio-economic development in each stage and period.

Thus, developing the team of entrepreneurs will depend on primary groups of factors from the following two sides.

The first is about people aspiring to start businesses and become entrepreneurs. In Vietnam, this is the desire of many people, especially the young, who are educated and trained in various fields. However, most of them lack business knowledge, especially business acumen, in the increasingly open and globally integrated market economy.

The second is about the State. As the largest and most powerful management entity, the State plays a crucial role in creating conditions and environment for enterprises and entrepreneurs' emergence, existence, operation, and development.

What are the factors affecting the development of the team of entrepreneurs? What policies should the State have to develop the team of entrepreneurs in the current period?

2. Factors affecting the development of the team of entrepreneurs

There are numerous factors impacting development in terms of quantity, quality, as well as the qualities and skills of entrepreneurs. The following key factors can be outlined.

Firstly, they are social and psychological factors.

A society that respects and honors its entrepreneurs will create a good environment that fosters the emergence and development of entrepreneurs. Furthermore, such an environment serves as a driving force for entrepreneurs to strive to become talented business people with the qualities and skills to meet the demands of modern business.

For example, Vietnam once had a traditional social environment with a self-sufficient agricultural production system, a closed economy, and a lack of respect for individual freedom and creativity. In such a closed social environment, the village economy looked down on commerce and trade and followed a value hierarchy: “The first is the gentry scholars. The second is the farmers. The third is the artisans. The fourth is the merchants.” The businesspeople were disregarded. In that society, the “scholar” class was held in the highest regard because studying to become an official was the only way to change one’s impoverished status. Therefore, for thousands of years, society did not encourage entrepreneurship. In modern society, with the emphasis on entrepreneurship, the concept of social class has changed. The social status of entrepreneurs has increasingly been elevated. The practical experience of socio-economic development in many countries has shown that a society that respects and honors entrepreneurs will create an environment that promotes the emergence and development of a team of entrepreneurs. This will be a good foundation to give birth to and make a large number of high-quality entrepreneurs appear.

Secondly, it is a healthy competitive environment based on market principles.

In Vietnam’s previous centrally planned economy, all economic activities were carried out primarily through administrative orders, so there was no competition according to market principles. In that economy, enterprises existed, but there were no true entrepreneurs. Therefore, it can be seen that a competitive environment is a crucial factor in forming and developing an entrepreneurial team. Healthy competition following market principles requires entrepreneurs to strive to meet market demands continually. Through competition, the entrepreneurial team is further honed in business skills suitable for market activities. Competition is a condition and a prerequisite for the emergence of successful entrepreneurs.

Thirdly, it is the legal environment, institutions, and policies for the economic development of each country.

They create conditions for the development of entrepreneurs, orient the growth of the team of entrepreneurs, and require them to have the necessary qualities and skills. In Vietnam, the old institution, characterized by command, centralization, bureaucracy, and subsidies, neither needed nor produced a true team of entrepreneurs. Transitioning to a market economy with a market environment, competition, and business is not only necessary but also a condition for the emergence of a team of entrepreneurs with the qualities, skills, and attributes suitable to the market demands.

Fourthly, it is the capacity, attitude, and behavior of government authorities at all levels.

The competence and professionalism of the state agencies, especially the state officials, have a direct and crucial impact on economic and social activities and the entrepreneurial team. The team of state officials at all levels who are responsible for implementing policies and laws can either improve, detract, or even distort policies and laws. Therefore, to have a team of professional entrepreneurs, it is essential to build a competent and professional administrative apparatus.

Many countries, especially those with transitional economies, have shown that state officials’ competence, attitude, and behavior directly impact enterprises and entrepreneurs. If the authorities at all levels have a good relationship and accompany businesses and entrepreneurs, businesses and entrepreneurs have the opportunity to develop rapidly and healthily, and vice versa. Therefore, building an effective administrative apparatus with competent and professional state officials is vital in creating and developing a team of entrepreneurs.

Fifthly, it is economic openness, integration, and globalization. This is one of the factors influencing the formation and development of the qualities and skills of entrepreneurs in general and Vietnamese entrepreneurs in particular.

Openness and integration are both requirements and prerequisites for the formation and development of the qualities and skills of entrepreneurs. This is a fundamental change in business methods, shifting towards a modern economy with modern management methods and exploiting and utilizing modern technology, and requiring the team of entrepreneurs’ new qualities and skills, such as business ethics, the ability to handle situations quickly, skills in using highly qualified human resources to serve business goals, communication skills with international partners, etc.

Finally, it is the business tradition of the nation. A country with a long-standing business tradition and accumulated experience will be a precious factor in shaping and developing the qualities and skills of entrepreneurs.

In reality, developed countries with a long history of business, reputation, and renowned brands often possess successful entrepreneurs who are globally recognized, like Japanese, American, and French entrepreneurs.

In addition to the main factors mentioned, there are many other factors related to economics, technology, infrastructure, and cultural environment that affect the formation and development of the requisite qualities and skills of the team of entrepreneurs.

3. Some implications for the policy of developing the team of Vietnamese entrepreneurs

Based on the analysis of influencing factors, the following policies should be considered to develop the team of Vietnamese entrepreneurs from a state management perspective.

Firstly, it is necessary to continue to unify the understanding of the entrepreneurial team’s role in the country’s industrialization and modernization.

It can be said that discrimination against entrepreneurs and envy of the rich are among the biggest obstacles in the development of the Vietnamese entrepreneurial team. The concept of social hierarchy based on the “scholar - farmer - artisan - merchant” order deeply ingrained itself in the mindset and became prevalent in many people’s thinking. Besides the traditional mindset, Vietnamese entrepreneurs were influenced by the burdensome perspective of the centralized, subsidized mechanism that existed for a long time in Vietnam. The image of entrepreneurs in society was often not good, and the business profession was not yet appreciated. This discriminatory attitude and mindset are both inappropriate and highly contradictory to the inherent nature, acumen, and vitality of the Vietnamese people in economic activities.

In the current period, it is essential to identify the Vietnamese entrepreneurial team as a new force in the socialist-oriented market economy and one of the decisive factors in achieving the strategic goals of industrialization, modernization, and international integration. Building a solid team of entrepreneurs is a breakthrough that drives the country's development, averts the risk of lagging, and enhances Vietnam's position in the new era.

Secondly, it is required to continue perfecting the socialist-oriented market economy, publicize the orientations and plans for socio-economic development, as well as support policies, and help businesses of all economic sectors have equal access to development resources.

Promoting the renovation process to perfect the socialist-oriented market economy is imperative. Perfecting the market economy in Vietnam is to ensure that the market economy operates smoothly according to the common rules of the modern market economy. Therefore, perfecting the socialist-oriented market economy is a prerequisite for developing enterprises and the entrepreneurial team.

Next, it is indispensable to accelerate institutional reforms, build a modern institutional system, including a comprehensive and synchronized legal system, establish an efficient state apparatus, and develop professional, competent, good civil servants. In the upcoming time, it is imperative to review and adjust existing legal documents and draft and issue other vital documents to ensure their quality and conformity with international commitments and standards. It is needful to create an environment for citizens to develop to foster an open society where individuals are ensured their constitutional rights, increasing autonomy, initiative, and self-management abilities, comply with the law, and have a sense of community consciousness and responsibility towards society and the nation.

Moreover, it is urgent to rapidly develop and perfect various types of markets and focus on fundamental markets as well as new ones, such as the labor market, stock market, real estate market, and science and technology market. Formulating and implementing a national strategy for developing enterprises and entrepreneurs, especially creating an entrepreneurial team, is crucial. It is vital to establish a national strategy for developing enterprises and entrepreneurs and consider it an essential part of the socio-economic development strategy for the 2025 – 2030 period.

Thirdly, it is to establish and specify legal regulations, creating favorable conditions for the operation of entrepreneurs.

Although Vietnam's legal system is relatively comprehensive, there are still many shortcomings causing instability in the investment orientation of entrepreneurs. We require entrepreneurs to advance in all aspects to contribute to the cause of industrialization and modernization. At the same time, the State needs to be open to entrepreneurs, especially regarding mechanisms, policies, and laws. One of the vital goals of administrative reform is to create changes for enterprises in the economy: Transitioning state management from the command, centralized, direct style to a style that focuses on serving businesses and entrepreneurs. Like other sectors and fields, the enactment of laws and legal documents is under the function and authority of the National Assembly, the Government, and central-level state agencies. However, the implementation is carried out at the local-level agencies. Therefore, there must be decentralization and coordination between the central and local levels in supplementing and perfecting legal regulations for the activities of enterprises and entrepreneurs. It is necessary to continue improving the laws on ownership and business rights, create a legal environment that fosters fair competition, and eliminate business privileges and monopolies. Establishing rules to develop and synchronize various markets is also an urgent task.

Fourthly, it is to promote administrative reforms aimed at serving entrepreneurs.

The State's legal system is relatively clear, but the implementation by the authorities in some provinces is not good. This has significantly affected market entry and the management process of entrepreneurs. The publicity and transparency in the activities of State agencies have not met the requirements for information access and the exercise of the rights and obligations of businesses. Enterprises still have to spend more time than prescribed to complete administrative procedures. In particular, the informal costs of enterprises related to the state agencies have driven up their expenses, greatly affecting their operations and inhibiting the dynamism and creativity of entrepreneurs.

Thus, administrative reform, especially in the business sector, is a necessary and urgent requirement. How can these reforms be applied to bring about practical results rather than just remaining as policies, principles, and regulations? People and enterprises pay taxes for the authorities to perform public administrative services. Therefore, performing public services is the duty of the authorities. It is critical to change the perspective of these authorities in providing administrative services to citizens, businesses, and entrepreneurs. Only when administrative reform has been intensified to align with economic development, can the above solution be implemented. In addition, it is vital to simplify administrative procedures and change the attitude of state officials to create favorable conditions for enterprises and entrepreneurs when working with authorities. Building and effectively implementing mechanisms for dialogue and consulting with entrepreneurs while formulating and implementing policies and laws also play a momentous role.

At provincial authorities, administrative reforms shall facilitate investment and business activities. It is important to promptly review and recommend abolishing unnecessary business licenses and regulations contrary to the law. It is momentous to direct the implementation of the "one-seal, one door" policy and adhere strictly to the schedule of the national administrative reform program. There should be a strong emphasis on building a professional work culture that should be considered a significant condition for developing business culture and enterprise culture, contributing to creating Vietnamese entrepreneurs' business traditions. In particular, administrative procedures should be designed to save time and costs for businesses and entrepreneurs rather than following an "asking and giving" practice.

Fifthly, it is to make fundamental changes in the training and development of entrepreneurs. A national program for training entrepreneurs should be carried out to meet international standards. Besides, we must innovate the curriculum and teaching methods for economics and business administration in universities, colleges, and vocational schools. There

should be a focus on educating ethics, a sense of responsibility, honesty, the spirit of cooperation, national consciousness, and community awareness in educating citizens and training entrepreneurs. Moreover, it is essential to emphasize business culture and the social responsibility of entrepreneurs, create good labor relations, protect the environment, and boost sustainable development. Promoting the inclusion of optional modules on entrepreneurship and enterprises in the curricula of high schools, universities, colleges, and vocational schools is a pivotal task. We need to establish regulations and guide and manage the recognition and reward of businesses and entrepreneurs to achieve practical results.

Lastly, it promotes the role of representative organizations in the business community and the entrepreneurial team. We shall continue to develop the Vietnam Chamber of Commerce and Industry into a powerful socio-political organization. It is indispensable to guide and support the establishment and connection of business associations and expand political advocacy activities in the entrepreneurial team. Finally, it is critical to gather and reflect on entrepreneurs' wishes, opinions, and recommendations, advise the State on socio-economic policies, and implement measures to boost the development of businesses and entrepreneurs.

Conclusion

Based on the position and role of the entrepreneurial team in the socialist-oriented market economy, developing this team is a vital and urgent task that makes the Vietnamese economy grow quickly and sustainably. However, in the current context, this task is a broad and multifaceted challenge influenced by various factors. Hence, the solutions discussed in the paper are basic ideas to orient policies for further developing the team of entrepreneurs in the upcoming time. The search for comprehensive and effective solutions to build the entrepreneurial team is ongoing through strategies of the entire political system, as well as efforts from the scientific community.

References / Список литературы

1. Communist Party of Vietnam. The document of the 13 th National Congress. Vol. I. Hanoi: The Truth National Political Publishing House, 2021.
2. *Hoang Phe* (editor). Vietnamese Dictionary, Institute of Linguistics, Ho Chi Minh City: Hong Duc Publishing House, 2021.