

# Policy Implications to Improve the Business Environment to Encourage Female Entrepreneurship in the North of Vietnam

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**Abstract:** Nowadays, Vietnamese women are participating actively in parts of the economy that were previously deemed male domain. Women are involved in business activities at all levels in Vietnam, making significant contributions to the economic development of the country. By December 2011, there were 81,226 small and medium enterprises headed by women, accounting for 25% of the total number of enterprises in the country (GSO, 2013). In Vietnam, despite recent economic development, socio-cultural and legal barriers are still very difficult for women since the general perception in society is that a woman's main duty is to be a good housewife and mother and they are also often perceived as weak, passive and irrational (VWEC, 2007). Even though the studies related to women entrepreneurship development are quite extensive, amongst them only a limited number of researches on the role of legal and socio - cultural barriers on women entrepreneurs in the context of Vietnam have been investigated. Thus, supported by the World Trade Institute (WTI) in Bern, Switzerland, the researchers have chosen this as the subject of this study. Based on a quantitative survey of 110 companies in Hanoi and adjacent areas, the research has taken legal and socio - cultural barriers and explored their effect on the development of women entrepreneurship in the context of Vietnam in order to indicate how women entrepreneurs perceive the impact of socio-cultural factors, economic impacts, and policy reforms on their entrepreneurial situations and initiatives, and to then provide policy implications for promoting women's entrepreneurship and gender equality in Vietnam.

*Keywords:* Entrepreneurship, female entrepreneurs, gender equality, Vietnam.

## 1. Introduction

Since the Renovation (Doi Moi) in 1986, Vietnam has achieved outstanding economic growth. During the period 1990-2010, the economy of Vietnam experienced an annual average growth rate of 7.3% even counting the

recent economic crisis (World Bank, 2011b). It is recognized that a blossoming market of private enterprises has contributed significantly to this rapid growth. It is generally recognised that Vietnamese women are increasingly involving in entrepreneurial activities and making greater contribution to the development of the economy. According to an estimation of the International Labour Organisation (ILO, 2011), about 25% of Vietnamese business owners are women.

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Women entrepreneurs and women owned companies have contributed considerably to the job creation and economic development of Vietnam. Although women have gained better economic opportunities, their productive potential is under-utilized due to cultural values and an unfavourable business environment. The traditions expect that a woman's role is to take care of family and do housework while men are relied upon to provide the main source of income for the household. Women entrepreneurs face the challenges of equal access to resources, finance and business training.

Being aware of these barriers, the Vietnamese government has committed itself to promoting gender equality and women's empowerment over the past decade. In 2006, the Vietnamese Parliament approved the Gender Equality Law, which aimed to improve women's roles in society, particularly in business. Support for women entrepreneurship is also found in other laws and regulations. Though progress has been made, little is known about the cultural and institutional impacts on women entrepreneurship in Vietnam. To address this issue, our paper aims to provide understandings into the current status of women entrepreneurship in Vietnam, to identify barriers and difficulties they face in doing business, and to analyse the traditions and regulations that might have impacts on women entrepreneurship in Vietnam. Furthermore, we propose implications which may help policy makers build a support system for the development of women entrepreneurship and suggest some significant topics for further studies.

The paper will be organised as follows. Section 1 discusses the relevant literature on, and provides an overview of, women entrepreneurship in Vietnam. Section 2 and Section 3 provides a deep analysis of traditions and regulations issues that might have impacts on women entrepreneurship in Vietnam. Finally, in Section 4, the paper concludes with implications and recommendations for tradition

changes and regulatory facilitation in support for Vietnamese women entrepreneurship.

Entrepreneurs have been defined in various ways, but most definitions suggest they are people who develop new and innovative ideas for products, business models, or markets (Nijssen, 2014). Accordingly, entrepreneurship is basically a creative activity in which entrepreneurs perceive opportunities to innovate (Nijssen, 2014; Raven & Le, 2015). When the literature distinguishes between different types of entrepreneurship, it uses a wide variety of terms, amongst them are opportunity and necessity entrepreneurship. The former term is linked to the identification of good business opportunities, while the latter is related to the lack of better job opportunities (Fuentelsaz et al., 2015). Even though both types refer to new entrepreneurial activities, their effects on development and economic growth are clearly different. Acs and Varga (2005) identified that necessity entrepreneurship does not affect economic development, and opportunity entrepreneurship has a positive and significant effect.

In recent years, a number of developing countries, including Vietnam, have enacted market-oriented economic reforms aimed at developing their markets to promote entrepreneurship and private enterprise (Hoskisson, Eden, Lau, & Wright, 2000). As a result of these reforms, these countries are becoming major economic forces in the world, and entrepreneurship (including the start-up and growth of formal businesses) has been credited with playing "a key role in this development" (Bruton, Ahlstrom, & Obloj, 2008). Noting the growing importance of entrepreneurship in developing countries, and citing a paucity of research on the topic, scholars have called for more research into women entrepreneurship in developing countries (Chari & Dixit 2015) and Vietnam is a typical country for this topic due to its fast growth.

## 2. Theoretical model

Despite the current lack of empirical studies in this area, the literature provides a number of conceptual models to better understand stages of enterprise creation (Gartner, 1985; Bhave, 1994; Shook et al., 2003; etc.). These models, however, remain mostly at a conceptual level and they do not lead us to any hypothesis on how entrepreneurs' cultural background influences their behaviours in enterprise

creation. Nevertheless, they provide us with a framework to explore the phenomenon. In a nutshell, the literature suggests that the entrepreneurs' cultural backgrounds influence their attributes, motivation, orientation, and cognition. These in turn influence how they identify business opportunities, define business concepts, mobilize required resources, form an enterprise, and finally launch the business (Figure 1).

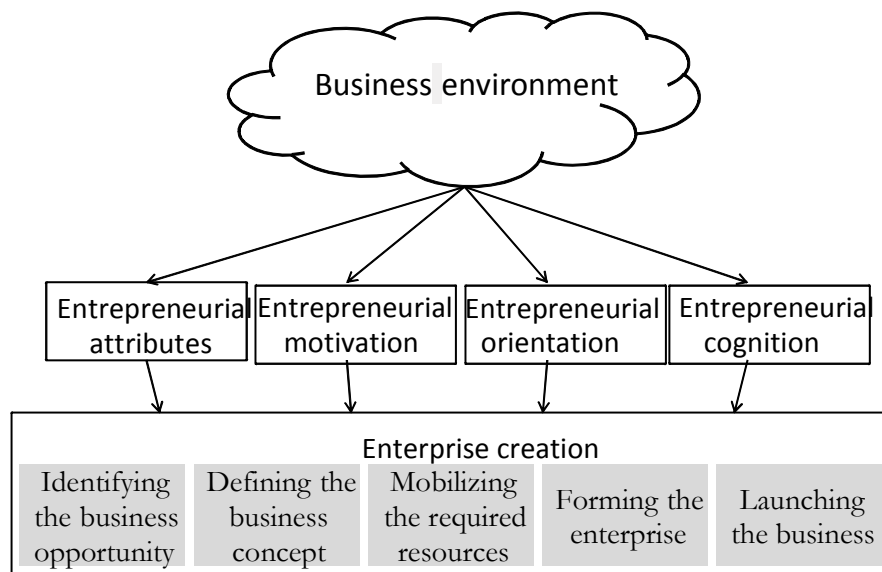


Figure 1. The influence of the business environment on enterprise creation.

### \* Enterprise creation

Enterprise creation is the organizing of new organizations (Gartner, 1985) by assembling on-going interdependent actions into sensible sequences that generate sensible outcomes (Weick, 1979; Vesper, 1980). These actions generally take place in five stages, namely: identification of business opportunity, business concept definition, resource mobilization, enterprise formation, and launch of business (Delmar & Shane, 2002; Reynolds et al., 2005). As the enterprise creation process is dynamic and case-specific, these stages do not necessarily occur in sequence (Bhave, 1994; Bruyat & Julien, 2001) and entrepreneurs may give up their efforts in the middle of the process

when they realize that the business ideas are not fruitful or feasible (Carter et al., 1996).

- Bhave (1994) argued that *opportunity recognition* may precede the decision to start a new venture. It occurs when the prospective entrepreneurs experience, or are introduced to, needs that cannot be easily fulfilled through available vendors or means. In finding solutions to satisfy the needs, the entrepreneurs realize that the need was widespread and recognize it as an opportunity to create a new venture. The author also argued that opportunity recognition may be preceded by the decision to start a new venture. This occurs as a result of interruptions in prospective entrepreneurs' personal and environmental circumstances. In this case, the

entrepreneurs see vastly more opportunities than they seriously chose to pursue and thus the decision to start a business is followed by a search to align the prospective entrepreneurs' knowledge, experience, skills and other resources with market needs.

- Having identified business opportunities, the entrepreneurs need to *clarify business concepts* in order to achieve a good fit between customer needs and the entrepreneurs' perceptions of those needs (Bhave, 1994). At this stage, the entrepreneurs build their business model when setting objectives for the firm, deciding the firm size, drafting a vision for the firm, calculating risks, and defining success criteria, etc. (Ardichvilia et al., 2003; Morris et al., 2005). These may be written down in a business plan because entrepreneurs want to do it or it is required, say, by financial institutions (Honig & Karlsson, 2001). Having that said, it is unclear if the business plan influences the realization of the project (Gasse et al., 2004) although researchers tend to advocate several advantages for making business plans (see Filion et al., 2009).

- To *realize the business*, the entrepreneurs must be able to mobilize sufficient required resources. They are typically organizational, technological, human, social, financial, and physical resources (Brush et al., 2001). The literature gives ample evidence that entrepreneurs need to work in teams to assure success and team members are usually family members, friends or colleagues (Brush et al., 2001; Ruef et al., 2003; Aldrich et al., 2004; etc.). Ruef et al. (2003) found that the teams tend to be people with similar characteristics as they make decisions together and share with each other the ups and downs of the business.

- The next step is to *create the organization*. The entrepreneurs often set it up in an area close to where they live or even at their homes (Gasse et al., 2002; Borges et al., 2005). The most important considerations for choosing a premise for their start-up business are quality of life, proximity to home, and availability of space rather than advantages of the region or

access to R&D (Filion et al., 2006). Besides choosing a location, the founders have to build an organizational structure for the business (Gartner, 1985). Once the organization is set up, they may let the business run in the informal sector or register it as an enterprise (Schneider & Enste, 2000; Bennett, 2010).

- When the organization is in place, it is time to *launch the business*. The activities carried out during this phase are critical determinants of the future of the firm (McMullan & Long, 1990). Studies by Duquette-Labrecque et al. (2005) and Filion et al. (Filion et al., 2006) show that the time between when the decision is made to the time the activity is carried out is longest for the development of the first product, then for the first sales, and then for hiring the first employee. Such variance in gestation periods implies how these activities are important for the entrepreneurs.

### 3. Data collection

Data collection consisted of surveys and interviews with 110 businessmen and women in the North of Vietnam.

The quantitative evaluation was based on information gathered from over 110 firms and business organizations in North of Vietnam. The directly involved subjects included business managers, sales managers and business owners. The convenience sampling method was applied in order to minimize financial cost and time. The data collection was achieved through direct encounter or via an online questionnaire system.

The content of the survey was designed into one individual questionnaire. The same questions set was addressed to men and women in order to give value to both men's and women's experiences. Indicators collected in the questionnaires were classified into 5 sections:

- *Section A*: General information
- *Section B*: The economic factors affecting women entrepreneurship

- *Section C*: The social factors affecting women entrepreneurship
- *Section D*: The institutional factors (law - policies) affecting women entrepreneurship
- *Section E*: Other questions (Open-ended question)

Questions in sections B, C, D covered all stages in enterprise creation. Most of the questions were designed based on the Likert scale, in which respondents specify their level of agreement or disagreement on a symmetric agree-disagree scale of (1) to (5) as follows:

1	2	3	4	5
Strongly disagree	Disagree	No opinion	Agree	Completely agree

Interviews and the open questions in section E were designed to provide more detailed information about male and female expectation over the women entrepreneurship promotion.

### 3. Descriptive statistics

The survey result included 110 firms and business establishments in the Northern provinces of Vietnam. The chosen sample was quasi-gender balanced. Female respondents accounted for 54% of the survey's sample.

#### *Demographic characteristics*

The age group of 25 to 40 years accounted for the largest proportion, 65% of the sample. Subjects under 25 represented only 6% of the survey sample. The age group differentiation is reasonable since the confidence in business capability is generally proportional to age. According to GEM, VCCI (2014), the proportion of young people (18-34 years old) perceived themselves as having the ability to start a business in Vietnam is 52.2%, lower than the 35-to-64-years-old group (64.1%).

The low rate of the younger-age group also coincides with the observed marital status where only 27% of the subjects were single. Around 65% of the respondents had 1 to 2 children.

#### *Educational level*

The educational level of the respondents was rather high. Around 93% of respondents had a bachelor degree or higher. However, less than 90% of female subjects reached tertiary education while 100% of male participants in the survey achieved tertiary education. The

gender gap may be partially explained by the fact that the proportion of women who achieved post-graduate education is smaller than men (29% to 41%).

#### *Employment conditions*

Nearly half of our survey sample consisted of business managers. The number of male sales managers was larger than female sales managers while women represented the majority of business owners in the sample (12 out of 17). However, it's important to underline that the female business owner is frequently recorded in small scale business.

The gender gap is also observed in terms of personal income and weekly working time. Only 41% of female respondents reached the income level of more than 20 million VND per month while the proportion in the case of male respondents was 54%. Even though more than 50% of respondents worked more than 40 hours per week, the male individuals seemed to be working "harder" since none of them worked less than 20 hours per week.

Based on the findings of our survey, we found there was no difference between female-owned and male-owned firms in *Opportunity recognition* and *Clarify business concepts* and *Mobilizing required resources* but in *Forming enterprises* and *Launching business*, the situation is as follows:

The majority of the firms in the sample are joint stock companies (56) and limited liability companies (43). The number of other forms of enterprise is minor. 64% of enterprises have less than 50 employees. Thus, the firms' size information reflects the overall situation in

Vietnam where the market consists mainly of small and medium enterprises<sup>1</sup>.

The difference among sexes is highly exposed in terms of firms' revenue. While 45% of male respondent's firms record an annual

revenue of more than 20 billion VND, nearly half of the women respondent's firms' revenue does not exceed 10 billion VND.

Table 1. Demographic characteristics of the survey's sample

	<b>Total</b>		<b>Women (N = 59)</b>		<b>Men (N = 51)</b>	
	No of observ.	Weight	No of observ.	Weight	No of observ.	Weight
<b>Age</b>						
Under 25-years-old	7	6%	5	8%	2	4%
From 25 to 40-years-old	72	65%	37	63%	35	69%
Over 40-years-old	31	28%	17	29%	14	27%
<b>Marital status</b>						
Single	29	27%	16	28%	13	25%
Married	80	73%	42	72%	38	75%
<b>Number of children</b>						
No child	29	26%	15	25%	14	27%
1 to 2 children	72	65%	37	63%	35	69%
More than 2 children	9	8%	7	12%	2	4%
<b>Education</b>						
High school or lower	2	2%	2	3%	0	0%
Secondary vocational education	6	5%	6	10%	0	0%
Graduate education (bachelor degree)	64	58%	34	58%	30	59%
Post-graduate education	38	35%	17	29%	21	41%

Source: Author's calculation.

<sup>1</sup> According to the Enterprise Surveys 2011 by World Bank, Vietnamese firms employ on average 75 full-time employees. However, the majority of firms in Vietnam have less than 20 workers on their payrolls.

Table 2. Employment conditions of the survey's sample

	<b>Total</b>		<b>Women (N = 59)</b>		<b>Men (N = 51)</b>	
	No of observ.	Weight	No of observ.	Weight	No of observ.	Weight
<b>Occupation</b>						
Business manager	54	49%	30	51%	24	47%
Business owner	17	15%	12	20%	5	10%
Sale manager	39	35%	17	29%	22	43%
<b>Working time at the occupation (mentioned above)</b>						
Less than 5 years	50	45%	27	46%	23	45%
From 5 to 10 years	34	31%	17	29%	17	33%
Over 10 years	26	24%	15	25%	11	22%
<b>Personal income (VND/month)</b>						
Less than 10 million	15	14%	10	17%	5	10%
From 10 million to 20 million	43	39%	25	42%	18	35%
From 20 million to 35 million	23	21%	10	17%	13	25%
Over 35 million	29	26%	14	24%	15	29%
<b>Working time in the business field</b>						
Less than 5 years	40	36%	25	42%	15	29%
From 5 to 10 years	33	30%	16	27%	17	33%
Over 10 years	37	34%	18	31%	19	37%
<b>Working hours (per week)</b>						
Less than 20 hours	7	6%	7	12%	0	0%
From 20 to 40 hours	43	39%	21	36%	22	43%
Over 40 hours	60	55%	31	53%	29	57%

Source: Authors' calculations.

Table 3. Characteristics of the enterprises in the survey

	<b>Total</b>		<b>Women (N = 59)</b>		<b>Men (N = 51)</b>	
	No of observ.	Weight	No of observ.	Weight	No of observ.	Weight
<b>Form of enterprise</b>						
Joint stock company	56	51%	30	51%	26	51%
Partnerships	0	0%	0	0%	0	0%
Limited liability company	43	39%	22	37%	21	41%
<b>Other</b>						
State owned enterprises	3	3%	0	0%	3	6%
Foreign invested enterprises	2	2%	2	3%	0	0%

Business household	3	3%	3	5%	0	0%
Private company	1	1%	1	2%	0	0%
Income-generating administration	2	2%	1	2%	1	2%
<b>Firm size</b>						
Less than 5 employees	13	12%	11	20%	2	4%
From 5 to 50 employees	55	52%	30	55%	25	49%
From 50 to 200 employees	14	13%	5	9%	9	18%
More than 200 employees	24	23%	9	16%	15	29%
<b>Firm revenue (VND, annual)</b>						
Under 10 billion	43	39%	26	45%	17	33%
From 10 to less than 20 billion	24	22%	13	22%	11	22%
From 20 billion or more	42	39%	19	33%	23	45%
<b>Business field</b>						
Agriculture, forestry	5	5%	3	5%	2	4%
Fisheries	0	0%	0	0%	0	0%
Industry, mining	0	0%	0	0%	0	0%
Processing industry	16	15%	9	15%	7	14%
Construction	10	9%	4	7%	6	12%
Hotels, restaurants	3	3%	3	5%	0	0%
Finance, credit	4	4%	1	2%	3	6%
Consultancy services	12	11%	7	12%	5	10%
Commercial	14	13%	6	10%	8	16%
Production and distribution of electricity, gas, water	2	2%	2	3%	0	0%
Transport, storage and communications	10	9%	5	8%	5	10%
Science and technology activities	11	10%	2	3%	9	18%
Activities related to trading assets	2	2%	1	2%	1	2%
Education and training	9	8%	6	10%	3	6%
Health and social relief	4	4%	3	5%	1	2%
Sports and cultural activities	0	0%	0	0%	0	0%
Personal service activities and community	3	3%	2	3%	1	2%
<b>Other</b>						
Multiple fields	1	1%	1	2%	0	0%
Not specified	4	4%	4	7%	0	0%

Source: Author's calculation.



## 5. Analysis of female entrepreneurship in North of Vietnam

This section addresses both economic and non-economic factors to reveal how male and female entrepreneurs are differently affected by the external business environment in the early stages of enterprise creation.

### 5.1. Economic environment

As argued previously in section 2, in order to realize the business, the entrepreneurs must first mobilize sufficient required resources. In this study, special attention is given to human and financial resources.

#### *Financial resources access*

In order to detect whether male and female entrepreneurs prefer different financial resources for business, different capital mobilization options were proposed to respondents including: from relatives and friends, from financial institutions (banks, credit funds, etc.), and from investment funds or individual investors.

There is no statistically significant difference in the answer of male and female entrepreneurs regarding the capital mobilized from relatives, friends and from investment

funds or individual investors since the most frequent answer in both groups is “Agree” (mode = 4). Opinion seems to be divided with regard to financial institutions. The ratio of male respondents who expressed strong agreement (N = 51, 33.3%) is obviously higher than female respondents.

However, male entrepreneurs diverge regarding the level of difficulties in different financial sources. Many of them admit that they face more difficulty in raising funds from credit institutions than from family and relatives (50.98%), but a considerable number (33.3%) indicated that they disagreed or strongly disagreed with this idea (Median = 4 = “Agree”; Interquartile range = 2). In the case of female respondents, it’s less conclusive since 46.43% confirm that they face more difficulty in raising funds from credit institutions than from family and relatives, while 32.14% choose “No opinion”.

The majority of respondents indicated agreement with the idea that female business owners are equal (compared to male business owners) in managing and using loans. The disagreement rate is very low (1.96% and 7% of male and female respondent respectively).

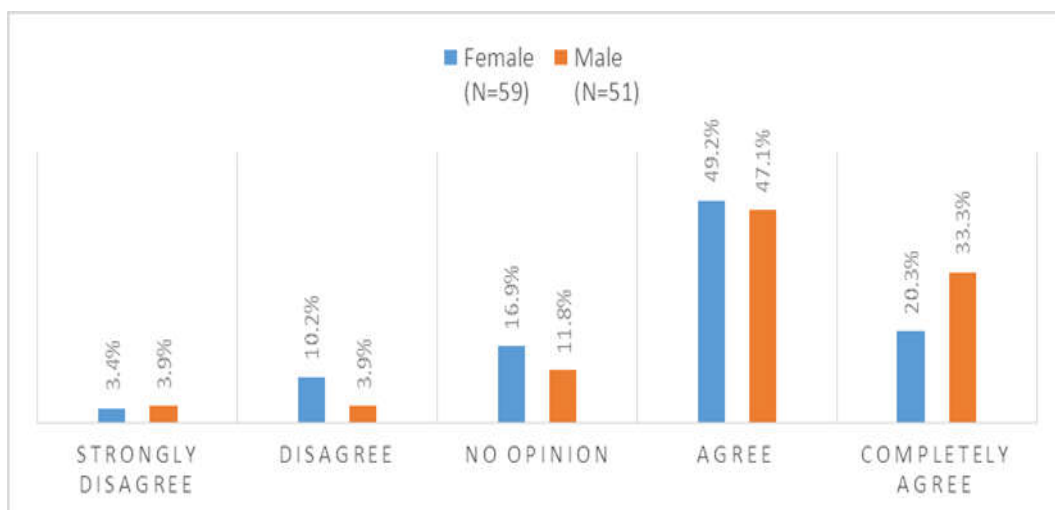


Figure 2. Mobilizing resources from financial institutions.

### Human resources

Regarding the human resource, while setting up a business, theories suggested that teams tend to be people with similar characteristics as they make decisions together and share with each other the ups and downs of the business. On the other hand, given the fact that Vietnamese firms are mainly small or medium in size and the number of family-run business is large<sup>2</sup>, hiring relatives and family members is not uncommon.

However, over the surveyed sample, hiring practices in favour of their relatives seem to be less supported by entrepreneurs. Indeed, 42.3% of female respondents rejected (*disagree* or *strongly disagree*) the idea of preferring to hire relatives while 35.6% stated the opposite. The ratio is 47.1% and 37.3% respectively within the group of male respondents. However, it's must be underlined that the number of entrepreneurs who stated "disagree" and "agree" are roughly equal in both groups (15

out of 51 male respondents; 23 and 19 respectively out of 59 female respondents).

### Social-cultural environment

The socio-cultural context refers to the social setting in which people live. It includes the culture that the individual was nurtured in, which shapes his or her behaviour later in life. Vietnam's tradition has been influenced by Confucian principles, which are greatly gender-biased. Men are the main decision makers and income earners for the family while women have the main responsibility of ensuring the harmony of family. Even though changes have been observed over the last decades, business-women still have to face different challenges.

### Business start-up motivations

Being asked about their motivation for starting a business, the majority of respondents from both sexes confirm the individual desire and the need for making a living as the main inducements<sup>3</sup>. They also received support from their parents, spouses, brothers and sisters.

Table 4. Hiring practices in favour of their relatives

	Female (N = 59)	Male (N = 51)
Strongly disagree	3.4%	17.6%
Disagree	39.0%	29.4%
No opinion	22.0%	15.7%
Agree	32.2%	29.4%
Completely agree	3.4%	7.8%
<b>Median</b>	<b>3</b>	<b>3</b>
<b>Mode</b>	<b>2</b>	<b>4</b>
First quartile	2	2
Third quartile	4	4
<b>Interquartile range (IQR)</b>	<b>2</b>	<b>2</b>

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<sup>2</sup> According to the Vietnam Chamber of Commerce and Industry, as announced at the conference "Professionalize the family business" on 24/06/2017, the most successful enterprises over the past years are private enterprises and family businesses, not state-owned enterprises. The 100 largest family-owned businesses in Vietnam have contributed about a quarter of the country's GDP.

<sup>3</sup> The concepts of necessity (push) and opportunity (pull) entrepreneurs are well-established in the entrepreneurship literature. Some individuals are pulled into entrepreneurship by opportunity recognition while others are pushed into entrepreneurship because they have no other choice to earn a living.

Table 5. Motivation for starting business

	Female			Male		
	Family tradition or family will (N = 56)	The individual desire (N = 57)	The need to make a living (N = 56)	Family tradition or family will (N = 51)	The individual desire (N = 51)	The need to make a living (N = 51)
Strongly disagree	7.1%	1.8%	0%	17.6%	0%	0%
Disagree	48.2%	0%	3.6%	25.5%	0%	0%
No opinion	25.0%	7%	8.9%	41.2%	3.9%	0%
Agree	14.3%	56.1%	58.9%	15.7%	41.2%	66.7%
Completely agree	5.4%	35.1%	28.6%	0%	54.9%	33.3%
<b>Median</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>4</b>
<b>Mode</b>	<b>2</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>5</b>	<b>4</b>

On the other hand, it's interesting to observe a higher proportion of female respondents disagreed with the idea of starting a business by family tradition or family will (55.3%) than among male respondents (43.1%). The phenomenon may be explored from two different perspectives. In the first place, as suggested by Kyriakos Lingas (2013), based on his interview with the male owner/founders of family firms, "*the selection of sons as successors is considered more or less as natural, while daughters are really considered as an after-thought*"<sup>4</sup>. In other words, the family tradition does not favour female successors. Other than the gender bias, the result may conceal a new generation of independent women desiring to control their own destiny or to engage themselves in challenging work out of the family scope or expectation (see for example Jennings and Cash, 2006; Kirkwood and Campbell-Hunt,

2006). The currently investigated sample gives unfortunately no further information to confirm the scale or the cross-effect of those two cultural and social phenomena.

Still, we have reason to believe that cultural barriers remain existent. More than half of respondents admitted that the social norm of women to be good at office work and still manage home chores "Good at work, Excellent at home" (*Giỏi việc nước, đảm việc nhà*) puts pressure on women. However, female entrepreneurs seem to diverge more on this subject. Many of them admit the difficulty (58.6%), but a considerable number (27.5%) indicated that they disagreed or strongly disagreed (Median = 4 = "Agree"; Interquartile range = 2). This may be explained by the fact that "Good at work, Excellent at home" is an official title awarded by public entities to their female employees, which is much less common in the private sector.

<sup>4</sup> Further on this issue, Lingas stated that "although sons and daughters are equally well educated even in the fields of management and business, fathers are deeply concerned about the capabilities of daughters in effectively managing the demanding tasks associated with the company".

Table 6. Effects of social norm “Good at work, Excellent at home” on women

	Female (N = 58)	Male (N = 51)
Strongly disagree	10.3%	3.9%
Disagree	17.2%	21.6%
No opinion	13.8%	13.7%
Agree	37.9%	43.1%
Completely agree	20.7%	17.6%
<b>Median</b>	<b>4</b>	<b>4</b>
<b>Mode</b>	<b>4</b>	<b>4</b>
First quartile	2	2.5
Third quartile	4	4
Interquartile range (IQR)	<b>2</b>	<b>1.5</b>

From another perspective, 74% of the respondents (74.6% and 74.5% for female and male respondents respectively) confirm that the business work affects the time for taking care of family. Since the women still have the main responsibility for housework and childcare, they face therefore, tighter time constraints than male entrepreneurs. Indeed, over the studied sample, none of the male subgroup worked less than 20 hours per week while 12% of female respondents worked for less than 20 hours.

### 5.3. Institutional environment

Regarding institutional factors, special attention is given to the support that firms received from public agencies as well as the barrier that they have to face in the form of corruption.

#### *Public support*

Less than half of the surveyed business owners/managers confirm (both “Agree” and “Completely agree”) that they have received appropriate support from local or central government agencies at different stages, including: business operation, tax obligations and business registration.

While male entrepreneurs among themselves diverge regarding public support in business operation, female entrepreneurs’ answers seem to be less unanimous regarding the public support in business registration (interquartile range = 2). The ratio of female entrepreneurs who underestimate the public support (both “Disagree” and “Strongly disagree”) is highest regarding business registration (27.2%) while among the male subgroup, the highest ratio falls into the stage of business operation (29.4%).

Table 7. Public support for business development

	Female (N = 59)			Male (N = 51)		
	Business registration	Tax obligations	Business operation	Business registration	Tax obligations	Business operation
<b>Strongly disagree</b>	11.9%	8.5%	11.9%	5.9%	5.9%	5.9%
<b>Disagree</b>	15.3%	15.3%	10.2%	17.6%	13.7%	23.5%
<b>No opinion</b>	25.4%	28.8%	32.2%	29.4%	33.3%	35.3%
<b>Agree</b>	37.3%	35.6%	35.6%	43.1%	41.2%	29.4%

<b>Completely agree</b>	6.8%	5.1%	5.1%	3.9%	5.9%	5.9%
First quartile	2	2.5	3	3	3	2
Third quartile	4	4	4	4	4	4
<b>Interquartile range (IQR)</b>	<b>2</b>	<b>1.5</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>

Even though the proportion of “strongly disagree” is especially high among female respondents, the evidence remains insufficient to conclude that female entrepreneurs received less support than their male colleagues. Indeed, a control question was introduced in the later part of the questionnaire in the form of a statement: “Male-owned enterprises benefit more from the government's business support policies”. 70.6% of male respondents and 52.9% of female respondents were against this statement.

#### *Corruption*

In this study, corruption is addressed as unofficial payments to accelerate administrative procedures. This form of petty corruption is widespread in Vietnam. According to a survey conducted by the Government Inspectorate during August-October 2013, 69% of the respondents were victims of petty corruption and 80% believed petty corruption was common<sup>5</sup>. The situation is confirmed over our surveyed sample which has more than half of the respondents agreeing to the idea that unofficial payments would help to speed up the completion of administrative procedures. Even though the proportion of female respondents who strongly disagreed with this idea (3.4%) is considerably lower than in the male group (7.8%). There is no statistical significant difference in the answer of male and female entrepreneurs on this subject.

## **6. Implications and recommendations for further study**

### *6.1. Implications*

<sup>5</sup> The survey was conducted over a sample of 832 individuals representing 232 foreign and local firms in Ho Chi Minh City, Haiphong and Danang cities as well as Vinh Phuc and Binh Duong provinces.

It is undeniable that women entrepreneurship has made a significant contribution to the development of the socio-economy of Vietnam. The proportion of women participating in the formal economy has risen dramatically, mostly through private enterprises (83%) and 26% of them work as head of enterprises (UNDP, 2014). However, as aforementioned, given the fact that Vietnamese tradition still favours men over women and the legal framework still lacks reference to female entrepreneurs, this report will suggest some recommendations for the encouragement of the field of women entrepreneurs.

#### *Policy-oriented recommendations*

We suggest some policy-related implications for supporting women entrepreneurship in Vietnam. First the policy-makers should remove gradually gender discrimination in the work-place, from governmental offices to business organisations, in which women are given more decision-making roles. Equality for the male vs. female rationale for any decision-making roles at all political levels (provincial, district and community levels) as well as in organisations needs to be established, and punitive measures should be ensured for those that violate this tenet.

The Government should implement specific hiring, training and promotion policies to have at least a certain proportion of women with senior or leading positions in government and the Party (30%). Furthermore, the Parliament should regularly review the legal system, including laws, decrees, and circulars on gender equality and women entrepreneurship to guarantee their update with the swiftly changing situation.

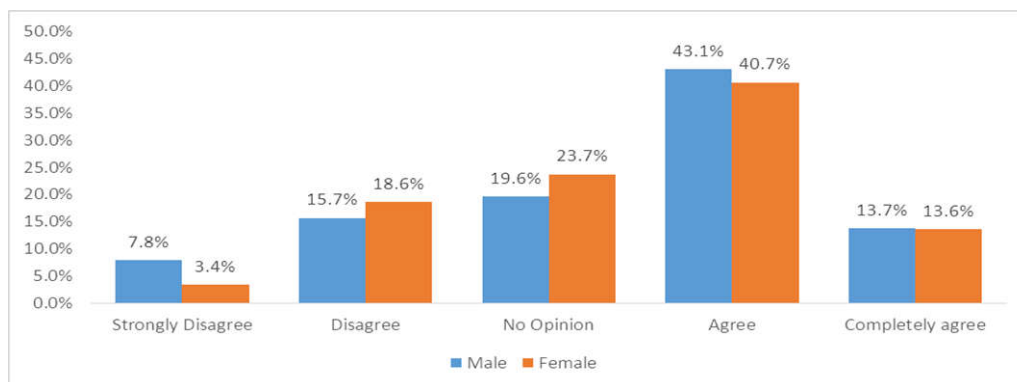


Figure 3. Petty corruption to accelerate administrative procedure.

It is recommended that policymakers should develop activities and models for the growth of businesses, concentrating on mainstream gender equality and increasing the data on gender equality that is related to women entrepreneurship. Moreover, training programmes should be implemented within established enterprises that give preferences to women, such as short-term courses focusing on soft skills such as foreign language, consultancy, business administration, action plan development and so forth. Besides, long-term courses can be added with the collaboration of local companies to allow learners to take part in on-the-job training and gain hands-on practical experience. The curricula can be tailored by the government or the Ministry of Education and Training to fulfil the demand of the market.

Women should be ensured the ability to have access to capital needed for entrepreneurial activity, such as easing credit access for women. To achieve the above aims, the Government should study practical experience from other countries that have succeeded in the improvement of women entrepreneurship.

#### *Tradition change*

Overall, the rise in awareness of both men and women plays an equally important role in changing the old tradition of Vietnam that has been an obstacle for women entrepreneurship for so long. That is, decision-making, property

rights and inheritance, which have been traditionally linked to men, should be shared equally with women and similarly regarding domestic tasks, which should be carried out by men also.

The female ownership of land rights should be changed. Men have been the main registrants in land-use right certificates. This can be improved by creating a campaign raising awareness of both genders on the essential role of joint land ownership; giving priority, assisting, and fast-tracking land registration applications that must have both the husband and wife's names; encouraging giving inheritance associated with land rights to female members of the family.

Domestic responsibilities should be shared between men and women. These can be seen as an obstacle for women who want to pursue an independent business. The government can help by designing campaigns for equality in male and female responsibility in childcare and household assignments. Besides, the infrastructure for childcare services and kindergartens can be improved, which can assist in child-support for children and save time for working families. Companies should pave the way for female participation by providing childcare facilities for their staff.

#### *6.2. Recommendations for further study*

This report on women entrepreneurship confirms the growing importance of women

entrepreneurship in the socio-economic growth of Vietnam. What has been found through the report is that while the rate of women entrepreneurship is similar to that of men, women are most likely to operate smaller-scale and more vulnerable enterprises compared to their male counterparts. Also, in terms of management and decision-making roles, along with educational and employment opportunities, women are outweighed by men.

Besides, Vietnamese females have to face a number of challenges to engage in entrepreneurial activity. The reasons for that include the Confucian-influenced tradition and social norms, as well as the incomplete legal framework.

Given the summary above, it is clear that there is still room for future researchers to focus on the improvement of women entrepreneurship in Vietnam. Among the critical queries, some of the topics that can be explored, for example the impact of “Doi Moi” on the lives of women entrepreneurs, as well as opportunities and challenges associated with them in this period; the need for the development of statistical data on gender equality and women entrepreneurship; the incentive for women to start up and run businesses themselves; key lessons learned from other countries to apply for the practice of Vietnam; and the solutions for constraints that Vietnamese female entrepreneurs have been encountered.

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