

Barriers to Woman Entrepreneurship in Vietnam

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Abstract

Women entrepreneurs can contribute significantly to economic development in Vietnam. But women face unique challenges in self-employment. These challenges have not been adequately studied. The objective of this study was to identify barriers to women entrepreneurship in Vietnam and propose recommendations to enhance this endeavor in the country. A survey that included nearly 200 women-owned businesses was conducted. This study found that women entrepreneurs are running businesses well. They are currently facing barriers, such as obtaining finance, work-home conflicts, lack of education and training in business and management skills. They furthermore indicated as their main support need the need for financial support, for business training and advice, and a need to network with other business owners and for marketing support. Practical recommendations are suggested for Government and women entrepreneurs to overcome these obstacles and to ensure that women entrepreneurs can sufficiently contribute to the economy and empower themselves economically.

Keywords: Barriers of infrastructure; barriers of role; behavioral barriers; educational and training barriers; legal barriers; professional barriers; social and cultural barriers.

JEL code: F68.

1. Introduction

After the global crisis, in a framework of stability-oriented macroeconomic policies, employment is now a matter of concern for all countries over the world. Simplifying the administrative environment for enterprises, promoting sustainable development and boosting small business start-ups, especially those run by new or would-be entrepreneurs such as young people, and women, are considered key actions to foster economic and employment growth. Therefore, the promotion of policy actions in favor of small businesses and the above target groups of entrepreneurs appears to be crucial in this context.

In most countries, regions and sectors, the majority, about 65% to 75%, of business owner/managers are male (Mulatu and Prasad, 2017). However, there is increasing evidence that more and more women are becoming interested in small business ownership and/or actually starting up a business in some countries. A key issue, therefore, is whether women entrepreneurs face specific problems in setting up and running businesses that are different from those faced by male-owned businesses. Women may have particular problems with raising finance and may have had less chance than most men to accumulate the confidence, management skills and contacts necessary to start and run a successful business. This paper is designed to identify barriers and propose solutions and recommendations to support women overcome difficulties in the global competition context.

2. Conceptual framework and research questions

Contextualizing the basic framework according to Al-Sadi et al. (2011), they identify

these challenges under seven categories:

- *Barriers of infrastructure* such as access to credit, access to technology, support and guidance, information on opportunities, government support, industrial support and financial support (for raising capital);

- *Professional barriers* such as traditional occupational restrictions, lack of professional education, generating skill, and knowledge of industrial collaboration;

- *Educational and training barriers* such as vocational training opportunities, lack of information/advice on how to start an enterprise, basic education, and no time for training/upgrading skills;

- *Social and cultural barriers* such as values and family structure, combining family and work life, and gender bias;

- *Legal barriers* such as discrimination in acting independently and assuming responsibility;

- *Behavioral barriers* such as self-confidence, finding the right contacts for business ventures, gaining of acceptance/respect of people, and a negative image of self; and

- *Barriers of role*: leadership requirements, compatibility with tasks, and the pressures to achieve.

Adopting the above framework, this study addressed the following two research questions. The first, what are the barriers faced by women entrepreneurs in general and in Vietnam, and the second is what are the policy implications to help them to overcome the barriers in the entrepreneurial ventures?

3. Research methodology

3.1. Study population and sampling method

The target population of this study was small and medium-sized women-owned businesses in the North and South of Vietnam, mainly in Hanoi and Ho Chi Minh cities. Our initial contact with the Association of Women Enterprises office led to a list of nearly 200 companies. To capture the responses of these companies to the barriers to entrepreneurship, a structured questionnaire was prepared, which was aimed to be administered to this entire sample.

3.2. Data collection

Questionnaires were emailed or delivered by hand to the women-owned businesses listed on the database. Each questionnaire included a covering letter that guaranteed the confidentiality of the responses. Although we tried to contact each of the nearly 200 women on the list, we could contact only about 152. Out of the 152 women, 15 were visited in their business ventures, 115 women were contacted by phone and 22 were contacted through the email. Out of the remaining 45, most of them did not answer the phone or they were not ready to answer the questionnaire. Finally, we got only 106 replies from the above sample, in which there were 9 questionnaires that could not be used for processing due to lack of information. As a result, there were only 97 questionnaires that had the full information we were looking for.

3.3. Statistical analysis

Data from the questionnaires was coded, investigated for integrity, analyzed, and presented in useful outputs, such as frequency tables. The frequency tables were used to draw conclusions and to make recommendations regarding the development of women entrepreneurs in Vietnam.

4. Results and discussion

4.1. Biographical information of respondents

Biographical information of the owner-managers of the participating women-owned businesses was obtained, including their age group classification, marital status and highest academic qualification. It is apparent from the results that the participating women entrepreneurs were relatively experienced (older than 30 years), but a major concern is that nearly 50% of them held a high academic qualification, that is, a degree. Especially, 10% of them held post-graduate degrees. On the other hand, 27% of the respondents had a secondary or higher education. The profile of the sample of respondents indicated that 100% of the women entrepreneurs were married. Of these, only 69% were living with their husbands. Eighteen per cent of them were divorced and 12% widowed. Further to that which is covered in the sample profile, 100% have children. A quarter of them have 1 child and two thirds of them have from two to three children. Less than 10% have more than 3 children.

4.2. Structure of the participating businesses

The profile showed that 100% of them were small enterprises. Of these, 43% were micro enterprises. These enterprises were working in services such as food supply, storage and consultancy. Thirty per cent of them employed 11 to 30 laborers. 6% had 31 to 50 laborers, and nearly 20% of the surveyed companies employed more than 50 and less than 100 laborers. Those larger companies were working in the construction and textile industries.

The sample profile showed that there were some companies that focus on more than one

industry. A majority (77%) of the sample profile were working in the retail trade, 31% of them were working in manufacturing, 15% of them were working in services such as consultancies or training.

Most of them (62,88%) were private companies and one third were limited and joint stock companies. As we show in the last paragraph, most of them were micro and trading companies.

4.3. Barriers affecting women entrepreneurs

Analysis of infrastructural barriers

This subsection covers the seven barriers and the intensity with which they affect women entrepreneurs in Vietnam. Table 1 indicates that all seven infrastructural barriers affect the women entrepreneurs. In approximately 10 cases, these barriers have no effect, but in the remaining cases they affect sometimes and mostly. Access to credit, government support and financial support affect with higher intensities than the others.

Analysis of professional barriers

The survey indicated that while all four components affect women entrepreneurs professionally, generation of skills and knowledge to collaborate are affected more intensely than the other two traditional restrictions and lack of professional education. This is true for this sample because most of the women held degrees and post degrees.

Analysis of education and training barriers

In the area of the educational and training barrier, Table 3 indicates that information on education and time for training have the largest effect, followed by training opportunities. Basic education also affects but with lower intensities.

Analysis of social and cultural barriers

The study indicates that combining family and work life along with the values system of society affects more in terms of intensity. The factors of family Structure and gender bias also have effect, but with lower intensities.

Analysis of legal barriers

Regarding the discrimination of the legal system for women acting independently and

Table 1: Infrastructural barriers

	Never	Sometimes	Moderate	Mostly	Highly	Weighted score
Access to credit	9	15	0	54	19	350
Access to technology	18	21	10	24	24	306
Guidance from institutions	18	24	15	21	18	285
Information on opportunities	3	33	30	15	16	299
Government support	6	21	21	36	13	320
Industrial support	9	15	30	27	16	317
Financial support	9	15	6	45	22	347

Table 2: Professional barriers

	Never	Sometimes	Moderate	Mostly	Highly	Weighted Score
Traditional restrictions	0	36	12	30	19	327
Lack of professional education	9	27	3	45	13	317
Generation of skills	0	15	15	51	16	359
Knowledge to collaborate	0	24	12	36	25	353

Table 3: Education and training barriers

	Never	Sometimes	Moderate	Mostly	Highly	Weighted Score
Training opportunities	6	21	21	39	10	317
Information on education	3	21	6	48	19	350
Time for training	3	9	27	42	16	350
Basic education	12	18	18	48	1	299

assuming responsibilities, the respondents lacked specific knowledge. While about 30% said that laws do not discriminate in their assuming responsibilities, a lower portion admitted that laws (24%) do not discriminate in their acting independently.

Analysis of behavioral barriers

Table 6 indicates that interacting with males and finding the right contacts affect with higher intensity. Nearly 18% of the respondents feel that self-confidence has never been a barrier for them. Thirty percent of the respondents feel that a negative image of self sometimes affects them.

Analysis of barriers of role

Table 7 indicates that leadership and requirements along with pressure to achieve affect with higher intensity. Nearly all of them (90%) consider compatibility with the task as a barrier.

5. Conclusion and recommendations

Entrepreneurships play a vital role for developing the economy of a country. The participation of women as entrepreneurs is low in all countries. So, it is necessary to identify the barriers to the participation of women and help them to overcome those barriers. This study focused on a 7-factor model that considered

Table 4: Social and cultural barriers

	Never	Sometimes	Moderate	Mostly	Highly	Weighted Score
Values system of society	3	24	18	39	13	326
Family structure	6	27	30	30	4	290
Gender bias	6	33	24	30	2	274
Combining family and work life	0	21	12	30	34	368

Table 5: Legal barriers

	Act Independently	Responsibility Centre
Never	6	6
Sometimes	24	30
Moderate	18	30
Mostly	24	24
Highly	25	7
Weighted score	329	287

Table 6: Behavioral barriers

	Never	Sometimes	Moderate	Mostly	Highly	Weighted Score
Self confidence	18	48	9	15	7	236
Negative image of self	30	33	3	31	0	229
Interacting with males	3	42	9	24	19	305
Finding the right contacts	3	42	12	24	16	299
Gaining respect from others	9	24	21	24	19	311

the barriers to women's entrepreneurship. The affecting level of those factors varied. Women are currently facing barriers, such as obtaining finance, work-home conflict, lack of education and training in business and management skills. Furthermore, the women participants in the study indicated financial support, business training and advice, the need to network with

other business-owners and marketing support as their main support needs. To ensure the success of women in their ventures, there is a clear need for supportive policies, business advice, information, counseling, financial support, the development of networking with other business owners for women entrepreneurs and better information.

Table 7: Barriers of Role

	Leadership and requirements	Compatibility with the task	Pressure to achieve
Never	6	9	3
Sometimes	24	27	27
Moderate	9	18	27
Mostly	45	43	27
Highly	13	0	12
Weighted score	326	289	306

The participating women entrepreneurs were furthermore requested to indicate whether a specific support need is applicable to them. The five policies with the most implications suggested are:

- Local chambers of commerce or other professional bodies need to assist women in business advice, information and counseling.

- Women need to be provided financial support.

- There is a need to develop networking with other business-owners for women entrepreneurs.

- Women need to be given updates through the organization of workshops and conferences in related business sectors for better developmental plans.

- There is a need to develop marketing support to facilitate a better information flow among stakeholders.

References

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