

A STUDY ON WOMEN ENTREPRENEURSHIP IN THE CONTEXT OF VIETNAMESE TRANSITION ECONOMY

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Abstract

Women entrepreneurship has recently been a fashionable trend in research. The mixed methodology of this study has shed light on the barriers in women entrepreneurship by examining the factors affecting the entrepreneurial performance of female entrepreneurs' work. A quantitative analysis of 87 female entrepreneurs combined with qualitative analysis via in-depth interview with 10 entrepreneurs show that work-life balance, financial support and gender bias are challenges facing women entrepreneurship. Further, this study also reports that emotional support, in particular from family members will improve the performance of female entrepreneurs' work. Some policy implications are offered by this study. Policy makers should focus on financial support for women entrepreneurship because of the flaw of the current supporting policy. Further, gender equality movement still has a long way to go in order to support women entrepreneurship in Vietnam.

Keywords: *Entrepreneurship, challenges, women entrepreneurship, Vietnam*

1. Introduction

At global scale with continuous change, women entrepreneurs confront surmounting challenges that create a need for effective support mechanisms leading to strengthening businesses in order to satisfy the demands of customers, market conditions, supply chains, competitors, and can adapt to changes in technology.

Women entrepreneurs have to confront many challenges: the majority of those who run a business do not have previous experience as a business person but have only been employees in state enterprises; their main concerns are to provide the everyday living, and not necessarily to develop themselves in the perspective of the business; they do not have extensive technical and material endowments; and they have limited financial resources. Lack of public policies to sustain entrepreneurship, lack of businesswomen association networks, professional stereotyping, the stereotype of the mentality of society, maternity and childcare; difficulty in finding the equilibrium between work, family, and private life, the stereotype of the promotion of women in mass media, identification of contracts, and access to new technologies can all be considered as barriers.

Although the global list of most famous entrepreneurs is long, few women are included. This historic trend of low representation of women entrepreneurs confirms a persistent inequality in the workforce and highlights unsolved problems that women confront to start a business or deters their efforts to pursue entrepreneurial activities. A particular problem for women is the harmonization between work and family life, rather than the lack of family support and proactive actions of the state in encouraging entry into entrepreneur stream. The obligations to perform several roles at the same time can negatively influence the professional success and satisfaction of women (Zapalska et al., 2005). These mixed feelings of guilt and fear of neglecting their family and/or their business force women to learn ways to manage these competing demands on time (Abrar et al., 2011). Besides, the absence of childcare facilities in some transition countries is a limitation to one's entrepreneurial career. Hence, it can be concluded that women were not able to combine work and family due to the lack of affordable social services and childcare facilities (ILO, 2002; Ramadani et al., 2013). The development of mechanisms to advance cultural change through national policies are needed. These are aiming to secure shared family responsibilities between men and women, because the stereotype that woman need help at work and at home is misleading and obsolete. What women need today is men's collaboration, at work and at home.

For women entrepreneurs, quality education is irreplaceable to consolidate start-ups and take advantage of opportunities. Quality education is important in developing countries where women in general and women entrepreneurs particularly confront obstacles in terms of limited access or, most commonly, attend obsolete programs that curtail women's potential to become successful entrepreneurs (Lepeley and Albornoz, 2013). Klaus Schwab, founder and executive chairman of the World Economic Forum, highlights the importance of education to develop the skills entrepreneurs need to prepare for the future and solve increasingly complex business problems in the global economy. He assesses that quality education needs to be a top priority for governments and entities in the private sector to attain growth rooted in human and social progress. Educating women in developing countries and

providing them with training in future-looking business management for sustainability is a pending challenge that governments and society need to address to foster social and economic development.

Even though women have access to the same education and jobs as men, they have more difficulty accessing external financial assistance (GERA, 2013). Obtaining financial support to start or continue a business is another obstacle faced by female entrepreneurs. It can be difficult to obtain finance because of social positioning or, as in some countries, because women are not allowed to seek finance as an individual and must have a male family member such as a father, brother or husband obtain it for them (OECD, 2004). An alternative for many potential entrepreneurs is microfinancing, which is the practice of providing financial services to low-income households (OECD, 2002).

Policies are needed to improve the business environment and encourage entrepreneurship, especially women entrepreneurship. Measures to change the mentality are needed. Thus, suitable local, regional, and national strategies are needed in correlation with the local particularities, considering that “the most difficult challenge to transition in the former communist countries is to change the mentality of individuals” (Kenny and Trick, 1995; Suutari and Riusala, 2001).

Vietnam’s economic reform has gained substantial achievements and interested researchers. The reform is known as “Doi Moi” has been emerged a rich theoretical context. Painful reforms have been undertaken to transform the stiff central planning system into a market economy, breaking the long-standing hurdles to the private sector and provoking entrepreneurship development. Entrepreneurship has become an essential driving force for the development. The Vietnamese Government (in short Government) applied a learning-by-doing approach with reformative ideas initiated, implemented, then ratified and officially encouraged. Policies shifted from a de-entrepreneurship to pro-entrepreneurship stance. Multi-face economic sectors, supportive policies have been cultivated in quest for prosperity among businesses, grounding on a more levelled playing field for all. Overcoming decades of the clash of ideologies and socio-economic upheavals, what we have today is a country well on its way to transitioning into a fully-functioning market economy.

With women accounting for about 26% in the national assembly, Vietnam is among the world’s leading countries and the second in the Asia-Pacific region, after New Zealand, in terms of female representation in parliament. Women also account for about 20% of managerial positions in state agencies at all levels (Debroux, 2010). A law passed in 1987 paved the way for the de facto de-collectivization of agriculture. Peasants were given long-term land-use rights. Individual farmers became the major players in the rural economy. The following year the legitimacy of the non-agricultural private sector was recognized. In 1990 encouragement for the private sector was raised to the level of official government policy

with the enactment of a law on private enterprise. Since then many enterprises have been established by former employees of state companies and civil servants, including a considerable number of women.

Vietnam was one of the first countries to ratify the Convention on the Elimination of all Forms of Discrimination Against Women (CEDAW) convention in 1982. But even before the ratification, gender equality was enshrined in the 1946 constitution. The Gender Equality Law was enacted in 2006, already men and women are subject to the same criteria in terms of qualifications and age in matters of employment, job assignment, promotion and access to training. Even though, restrictions still exist that contain elements of gender discrimination. Vietnamese women retire at 55 years old, against 60 for men, in the public sector. Public companies will continue to be a major employer of women for some time, and because they provide better training than most private concerns they are likely to be an important source of female opportunity entrepreneurship. The different retirement ages are a factor in reducing the career and promotion prospects for women. It is observed that they are passed over for promotions or career development opportunities at a younger age than men, usually by the same five-year gap. This is a double challenge for women, who may also have missed earlier promotion opportunities while they had young children. Gender distribution by sector and type of occupation creates clusters of male or female jobs for which there are differences in wages and career opportunities. Even in the sectors where there are many women, such as education, health and culture, they are mostly concentrated in occupations that offer little chance of careers or acquisition of marketable skills. There are, for instance, very few women in top positions in the academic world despite the large number of women in university jobs. The gap in training opportunities seems to remain large, as male access to on-the-job training is eight times higher than that of female employees. As result, a gender-neutral policy language may not result in gender-egalitarian outcomes when implemented in a gendered environment that is influenced by gender imbalances and biases. The development of female entrepreneurship is indeed linked with equality, but the linkage is not straightforward. It can develop in an environment characterized by gender inequality and occupy a specific place in society and economy, as access to formal equality does not guarantee that it will flourish. The neutral language of many laws can work alongside mores, traditional customs and cultural expectations in ways that can hinder the economic advancement of women. Formal political and economic equality in the labor market was bestowed on women decades ago. It opened new horizons and paved the way to the slow development of entrepreneurship. But it remained stuck (and still is to some extent), with the gender-biased reality of regulatory, cognitive and normative institutional obstacles.

Property rights still remain as gender issues for women entrepreneurs in Vietnam when land generally has been registered in the name of the husband. Although traditional inheritance practice in Vietnam gives men and women equal rights to inherit land, in practice

women are less likely to be registered as land users. Most of the land-use rights certificates issued were in the name of the husband only. A 2003 revision of the Land Law dictates that land-use rights certificate must include the names of both husband and wife. It ensures that many women gain access to land and, subsequently, get better access to finance thanks to the property titles. However, the previous documents have not been rescinded. The titles issued before the revision are still under the name of the husband. About 75 per cent of Vietnamese women are self-employed, mostly in agriculture or the informal sector (Debroux, 2010). Improved access to capital resources would have a significant impact on their ability to upgrade their productivity and expand their businesses.

Gender disparity is influenced by economic development, but also by institutional obstacles and the resistance of traditional society to change. A distinction has to be made between segregation and equality. Equality can be measured by criteria such as rights, independence, access to education and healthcare, etc. Segregation is the allocation of life patterns or specific life spaces to one sex or the other. Broadly speaking, the transitions in socio-economic and business models seem to lead towards gender equality.

The start-up context in Vietnam presents opportunities as well as challenges for women entrepreneurship. This study aims to shed light on the status of women's entrepreneurship in terms of resources and barriers that women face when starting a business.

2. Method

This study uses a mixed research approach (qualitative and quantitative), in which qualitative research will shed light on women's resources and perspectives on entrepreneurship, quantitative research will help uncover challenges facing women's entrepreneurship.

In-brief descriptions of qualitative approach and quantitative approach are respectively presented as follows:

The research uses a multidisciplinary approach based on the intersection of the gender field and the start-up (business) field, set in the new context of the transitional economy in Vietnam. Accordingly, this study will use a gender lens to analyze issues surrounding women's entrepreneurship, focusing on the barriers that women in Vietnam encounter in starting a business in Vietnam. rapidly changing socio-economic landscape in a transitional economy.

The study also used in-depth interviews in qualitative analysis to explore more about the resources mobilized in women entrepreneurship and women's perception of entrepreneurship. The authors conducted in-depth interviews (online) with 10 women entrepreneurs of SMEs. The in-depth interview method currently collects 5 out of 10

expected subjects. Women participating in this study are business owners in Hanoi city. The time since the establishment of the enterprise is not more than 7 years. These female business owners meet the sampling criteria for this study: married women with their children. The selection based on these criteria stems from integrating the findings from the research review with the actual context in Vietnam – its culture is influenced by Confucian ideology. Cultural characteristics set up relatively specific barriers for female entrepreneurs in Vietnam.

The qualitative data analysis goes through a process of 3 stages: first, after transcribing the audio recordings, the researcher proceeds to reduce the text; second, using codes for groups of repeating ideas; third, grouping codes into themes. Coding and qualitative data analysis were performed with the help of NVIVO software version 12.

This study collected primary quantitative data on entrepreneurship with 87 respondents being female entrepreneurs of small, micro and medium-sized startups. Quantitative analysis will show the barriers as well as their impact on women's entrepreneurship. Quantitative data analysis was performed with the data obtained from the survey on 87 female entrepreneurs. After the data-inserting process, the analysis is supported by SPSS software. The basic analysis steps include: data coding, testing the reliability and suitability of the measure, regression analysis to test the research hypotheses and evaluate the impact of factors on the women entrepreneurship.

3. Results

Table 1: Demographic characteristics of the sample

		Frequency	Percent
Age	< 30 years old	25	28.7
	31 – 40 years old	41	47.1
	Over 40 years old	21	24.2
Business industry	Food	26	29.8
	Construction	17	19.5
	Handicraft	6	6.9
	Catering services	28	32.1
	Technology	10	11.7
Number of children	1 child	26	29.9
	2 children	61	70.1

Table 1 shows that business industry is diverse among female entrepreneurs including construction, handicraft, catering service and technology. Noticeably, 10 start-up entrepreneurs got involved in this survey showing the new trend in the business field of Vietnamese women.

Table 2: Reliability and Validity tests

Variables and items	Mean	Std. Deviation	Factor Loadings	
Work-life balance	Cronbach's Alpha = 0.762			
	WLB1	3.38	0.721	0.656
	WLB2	3.02	0.643	0.748
	WLB3	3.58	1.012	0.776
	WLB4	3.29	0.930	0.829
	WLB5	3.22	0.952	0.812
Emotional support	Cronbach's Alpha = 0.845			
	ES1	3.51	0.992	0.801
	ES2	3.49	0.829	0.621
	ES3	3.43	0.833	0.687
	ES4	3.28	0.977	0.739
	ES5	3.52	0.923	0.701
Financial support	Cronbach's Alpha = 0.731			
	FS1	3.38	1.051	0.701
	FS2	3.63	1.112	0.610
	FS3	3.67	0.846	0.712
	FS4	3.49	1.023	0.893
	FS5	3.53	1.019	0.833
Gender bias	Cronbach's Alpha = 0.821			
	GB1	3.45	0.791	0.601
	GB2	3.51	0.829	0.521
	GB3	3.61	0.601	0.728
	GB4	3.16	0.812	0.774
	GB5	3.39	1.212	0.821
Entrepreneurial Performance	Cronbach's Alpha = 0.832			
	EP1	3.43	0.812	0.695
	EP2	3.71	0.865	0.729
	EP3	3.33	0.864	0.912
KMO	0.692			
Total Variance	61.579			
(*) : Statistics for Independent Variables				

Source: from survey results

As reported in the table 2 and other results from the current survey, all of observed variables are reliable and the values of Cronbach's Alpha of all variable are higher than 0.7. It means that the measure is reliable for further analysis.

Table 3: Rotated Component Matrix^a

	Component			
	1	2	3	4
WLB1	.656			
WLB2	.748			
WLB3	.776			
WLB4	.829			
WLB5	.812			
ES1	.672	.801		
ES2		.621		
ES3		.687		
ES4		.739		
ES5		.701		
FS1			.701	
FS2			.610	
FS3			.712	
FS4	.502		.893	
FS5	.521		.833	
GB1				.601
GB2				.521
GB3				.728
GB4				.774

To make sure that the observed variables of each factor will only reflect the factor that they are grouped in, the authors continue to use EFA. The table 3 shows that the item ES1 should be removed because it appears in two factor and the gap between the 2 factor loadings is less than 0.3. FS4 and FS5 are kept because the gap between the 2 factor

loadings is more than 0.3. In other words, the variable FS will include 5 observed variables while ES will now have ES2, ES3, ES4, ES5.

Model Summary

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate	Durbin-Watson
1	.612 ^a	.573	.503	.4934	1.531
a. Predictors: (Constant), WLB, ES, FS, GB					
b. Dependent Variable: Entrepreneurial Performance (EP)					

Regression results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics			
	B	Std. Error	Beta			Tolerance	VIF		
1	(Constant)	-.219	.122		-.543	.329			
	WLB	-1.264	.036		-1.061	2.594	.013	.731	1.321
	ES	.713	.120		.628	3.216	.091	.403	1.621
	FS	-.514	.048		-.509	2.617	.002	.882	1.553
	GB	-1.025	.529		-1.291	4.203	.000	.629	1.712

a. Dependent Variable: EPMEAN

The regression results confirm that WLB, FS and GB have negative impacts on performance of female entrepreneurs while ES imposes a positive impact on it with confidence interval at 90%. Adjusted R square at .503 means that WLB, FS, ES and GB explain 50.3% of the average variation of EP.

$$EP = -1.061 * WLB + 0.628 * ES - 0.509 * FS - 1.291 * GB$$

4. Discussion and Conclusion

The mixed methodology of this study has shed light on the barriers in women entrepreneurship by examining the factors affecting the entrepreneurial performance of female entrepreneurs' work. A quantitative analysis of 87 female entrepreneurs combined with qualitative analysis via in-depth interview with 10 entrepreneurs show that work-life balance, financial support and gender bias are challenges facing women entrepreneurship.

Further, this study also reports that emotional support, in particular from family members will improve the performance of female entrepreneurs' work.

However, the study has some limitations. First, it cannot use the control group of non-entrepreneurial females to compare the differences between two groups. Second, a relatively small-size sample of 87 observations will limit the representativeness of the research results.

Some policy implications are offered by this study. Policy makers should focus on financial support for women entrepreneurship because of the flaw of the current supporting policy. Further, gender equality movement still has a long way to go in order to support women entrepreneurship in Vietnam.

5. References

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