ETHNIC MINORITY ENTREPRENEURSHIP IN VIETNAM

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Abstract: This paper delivers a full insight into the concept of ethnic entrepreneurship for Vietnam. Despite different nature, motivation and purpose, results of analysis show that this special form of entrepreneurship is the most important factor that closes the growing wealth gap, reduces social tension and community unrest typical for developing countries. Using conceptual analysis with carried out original research on ethnic entrepreneurship, the article revealed the rising role of ethnic community and the need to promote and proposed solutions to enhance ethnic entrepreneurship towards synergy effect with other kinds of entrepreneurship to support far-off areas of the economy.

Keywords: ethnic minority, ethnic entrepreneurship, business community, Vietnam.

1. Introduction

Social responsibility is a field of research investigating solutions to strike a balance between economic growth and socio-environmental development (Placier 2013; Tien, 2015, Tien and Anh, 2018; Tien et al, 2019a). Social responsibility is a commitment of the enterprise towards sustainability issues, acting for the benefit of the environment and the next generations (Rajnoha and Lesníková, 2016; Tien et al, 2019; Tien et al, 2019a, Tien et al, 2019b, Tien et al, 2019c). Social responsibility is the background to develop ethnic entrepreneurship as a new concept to offer practical implication to the knowledge body of entrepreneurship furthering frontiers of management science. The article revealed rising role of ethnic community, the need of its promotion and proposed solutions to enhance ethnic entrepreneurship by interplaying with current forms of entrepreneurship in Vietnam.

2. Literature Overview

2.1. Social Entrepreneurship

Social entrepreneurship means that all activities of enterprise are directed towards social responsibility, environmental security and business sustainability. It is emerging as viable alternative to traditional institution setups for reaching underserved needs of low-income population in far-off regions of developing economies (Goyal and Sergi, 2015). Social entrepreneurship is a relatively new subject of research. Despite growing interest over two decades, there is a diversity of its definitions and approaches (Kee, 2017). Social entrepreneurship is often seen as socialized and community phenomenon. It is expressed by willingness to help local society, to focus on social and environmental implications of business (Le Loarne-Lemaire et al., 2017). Practically, it is an engine of local development, facilitating the adjustment to multidimensional change and local competitiveness (Leitao et al., 2011). Ethnic minority suffers from many disadvantages such as: chronic poverty, inferior education and poor health due to local underdevelopment. As a result, the nature and content of social entrepreneurship should embrace at least three dimensions: Ethnic, Indigenous and Green entrepreneurship (Bilan et al., 2017; Tien and Anh, 2019a & 2019b).

Social entrepreneurship is determined by: cultural, institutional and economic determinants, access to knowledge and finance beside entrepreneurial capability (Ferris and Voia, 2012). Social entrepreneurs are motivated by both push (economic dimension: self-employment) and pull factors (social dimension, a desire to improve surroundings and playing role in changing people’s life). Drivers of motivation are resided also at social level through recognition of social needs (Notais and Tixier, 2017). Social entrepreneurship is related with passion, tenacity, innovations in the field of social inclusion (Kuratko, 2011). The innovative capacity of social entrepreneurs may be boosted by informal networks, entrepreneurial capital (Boutillier and Ryckelynck, 2017). They collectively create and deliver social values to the society and environment (Kee, 2017; Tien, 2019a).

Social entrepreneurship differs very much from commercial one in terms of nature, motivation and purpose, as well as business philosophy and practices (Castellano et al., 2017). Social entrepreneurs face the on-going challenge of validating their visions towards business and society. They must deliver social values
instead of the sole economic performance (Kee, 2017; Tien, 2019a). Despite conflicting philosophy, both of them could to stay together to successfully bridge social and entrepreneurial capital and develop both the profit and non-profit activities (Fokkema et al., 2017). As such, the idea of symbiotic entrepreneurship is emerging to serve the development of enterprises in their processes of globalization in the local market (Dana et al, 2013).

2.3. Ethnic Entrepreneurship

The panorama of immigrants and ethnic minority’s entrepreneurship development across Atlantic present in the literature is a proof that they could be seen as potential source of social integration, cultural assimilation and driver for the economic growth (Lowrey, 2007; Haq, 2015; Inal, 2007; Thandi and Dini, 2010). Ethnic entrepreneurship is regarded as a potential source of local development. Available data shows that establishing ad-hoc policy measures that would support its development is a key factor to integrate ethnic groups with the local society. Their motivations to become entrepreneurs, barriers and enabling factors, social and economic impacts at both the urban and suburban areas are different and should be a subject of independent research (Noni et al, 2013). Moreover, differences in: forms of organization, sources of financing, ethics and social responsibility, associated with ethnic entrepreneurship in rural (suburban) and urban environments should be revealed to discover the nature of this phenomenon. It is unchanged that ethnic entrepreneurs play significant role as a source of additional socio-economic activities that are both competitive and supplemental to the mainstream ones (Bakanov et al, 2014).

As adopted and conceptualized in theories, ethnic entrepreneurship has evolved into three phases. In the first phase, scholars focused mainly on cultural factors to explain the differences in entrepreneurship across ethnic communities. Specific culture and context of ethnic community will mediate the nature, scale, and industry of ethnic enterprises. Structural and cultural factors can influence steps towards ethnic entrepreneurship as not many ethnic entrepreneurs are focused specially on non-traditional sectors and external orientations (non-ethnic market and customers). Motivation, sectorial choice, business strategies of young and higher-educated generation of ethnic entrepreneurs should be carefully revisited in the future studies (Kraybill et al, 2010). In the second phase, the focus shifted toward the opportunities (and risks) available in the host society, especially for different generations. Traditional ethnic entrepreneurs were mostly influenced by negative ‘push’ factors towards self-employment. They made use of extensive networks of identity, family and community resources to acquire business information and market opportunities and have a strong family support in most cases (Piperopoulos and Ikonomu, 2007). In contrary, current well-educated generations of ethnic entrepreneurs, mostly assimilated and integrated with the native society, were influenced by positive ‘pull’ factors towards self-actualization. Scholars are now focusing on the role of networking, inner circle, social and entrepreneurial capital in the creation of favorable conditions facilitating the development of ethnic entrepreneurship in metropolitan areas across the globe (Ganzaroli et al, 2013). Ethnic networking is significant for the development and internationalization of ethnic businesses. These network resources provided useful intelligence that bridged critical gaps in the knowledge and experience, and facilitated the selection of international partners (Hayer and Ibeh, 2006). Previous researches also show the existence of a link between social, entrepreneurial capital and ethnic business performance (Perreault et al, 2007). Ethnic social networks tend to influence the type of business that an ethnic entrepreneur starts. Ethnic community involvement influences the configuration of entrepreneurial and social capital which, in turn, influences the ethnic business performance.

3. Methodology of Research and Data Analysis

The vast preference for qualitative methods in developing countries may indicate difficulties of conducting precise empirical research on a wide spatial and temporal scale (Husted and Allen, 2006; Jamali and Mirshak, 2007). Systemic review of scientific literature, general analysis and logical reasoning, comparison and abstraction are research methodology designated in this article to study adequate solutions to promote the important concept of ethnic entrepreneurship in today’s society, its practices of functioning and sustainability issues. Hence, our research subject is the concept, contents and practices of ethnic entrepreneurship. The research object embraces a large group of randomly selected, Cambodian entrepreneurs and households living and operating their businesses in Ho Chi Minh City and belonging to traditional sectors of Vietnam’s economy. Cambodian community of entrepreneurs is developing vibrantly, especially in the South of Vietnam, around the biggest megacities. It is due to geographical, historical and cultural proximity between economic capitals of the two nations: Phnompenh (Cambodia) and Ho Chi Minh City (Vietnam). Due to that they are selected as objects of research. Personal interviews have been carried out with all entrepreneurs or households conducting businesses and followed by structural survey delivered to lower level of management staff (if any) and operational employees to confirm the exactness of the interview results. The purpose of all interviews and surveys is to examine the main characteristics, similarities and differences between Cambodian and Vietnamese entrepreneurs; understanding the contribution of Cambodian entrepreneurs to the
local development where they are living and conducting business. The aim of this research is to reveal the practical implications and future development of Cambodian entrepreneurs as an important ethnic community that is growing strongly and contributing sustainably to the local development in Vietnam.

4. Research Results and Discussion

4.1. Ethnic Entrepreneurship in Vietnam

Entrepreneurship is the most essential driving force reflected in the cultural, socio-economic and institutional settings of a given business environment, embedded in business philosophy and culture of enterprises in developed market economies. Entrepreneurship is quite new but fast growing important skills, quality and competency of entrepreneurs in developing countries and emerging market (Tien, 2019b). It also refers to the ethnic entrepreneurs competing with their mainstream counterparts. Whereas, the idea of sustainable development is a very popular management paradigm worldwide. Sustainability issues are not only increasingly important and becoming global. The scope of these issues is expanding, including also entrepreneurship. Vietnamese entrepreneurs are becoming aware of the impact of sustainability issues on their business activities as the local marketplace becomes global and shared by mainstream, foreign, ethnic entrepreneurs.

Cambodian entrepreneurs in Vietnam have a long history of development. Vietnam is a multi-ethnic country. Ethnic minorities in Vietnam as a common feature reside in mountainous, remote and border areas, islands, and areas with extremely difficult socio-economic conditions. However, in recent years, due to the impact of urbanization, the expansion of space and the number of industrial parks in Vietnam, especially in the southern provinces bordering Ho Chi Minh City, has made a very large number of ethnic people moving to urban and industrial space. Ethnic workers and entrepreneurs from less developed countries who have been living for many generations in Vietnam also involved in this movement, including Cambodian immigrants. The reasons to leave Cambodia for Vietnam are both economical (to escape chronic poverty) and political (to escape from repression of Pol Pot regime). Vietnam’s Southern economic region is very dynamic and Ho Chi Minh City is considered is a promised land. There are many risks facing Cambodian ethnic minority. It is not easy for them to find the job with the low level or lack of education, low level of local language acquaintance and professional experience in cities like Ho Chi Minh City. In addition, there is a fierce competition from Vietnamese entrepreneurs there. Despite being industrious and hardworking they are in underdog position in the labour market. They have to do heavy works. They are not allowed to sign labour contracts. They are deprived of basic healthcare and social benefits. The best way to escape socio-economic doldrums is to develop entrepreneurial spirit and first become entrepreneurs within Cambodian business community.

4.2. Research Results Presentation and Discussion

The results of carried out survey and interview on over 100 Cambodian entrepreneurs show that majority of them (D1, 87%) are entrepreneurs operating micro family business without formal registration (Table 1C). Table 1A presents main characteristics of Cambodian entrepreneurs. Those characteristics are presented in parallel with the characteristics of Vietnamese counterparts which are of course not objects of our current research. Table 1B and 1C present the main similarities and differences between Cambodian entrepreneurs and Vietnamese counterparts respectively. All characteristics, similarities and differences are confirmed in results’ percentage of our research survey and interview (see results in Table 1A, 1B and 1C). Excluding the objective fact that the Cambodian entrepreneurs tends to permanently stay in Vietnam (C5, 99%), results presented in Table 1A show that the least majority of them (C3, 73%) are not willing to assimilate with Vietnamese community; the most majority of them (C4, 95%) do not actively cooperate and exchange with other ethnic entrepreneurs regardless of their origin. This is due to their poor education (C1, 83%) and the least local language proficiency (C2, 91%). Main characteristics of Cambodian and Vietnamese entrepreneurs serves as starting point to delve into their similarities and differences.

<table>
<thead>
<tr>
<th>Table 1A</th>
<th>Characteristics of Cambodian ethnic minority entrepreneurs</th>
<th>Results</th>
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</thead>
<tbody>
<tr>
<td>Cambodian ethnic minority entrepreneurs</td>
<td>C1. Poor local Vietnamese language acquaintance</td>
<td>83%</td>
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<tr>
<td></td>
<td>C2. Less educated and not prone to acquire new knowledge</td>
<td>91%</td>
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<td></td>
<td>C3. Still no significant sign of assimilation with Vietnamese community, its specific culture, tradition, customs and practices</td>
<td>73%</td>
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<tr>
<td></td>
<td>C4. No visible sign of cooperation and exchange with other ethnic minority entrepreneurs, both Vietnamese and foreign</td>
<td>95%</td>
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<td></td>
<td>C5. Tend to stay in Vietnam for long as a next generation of entrepreneurs and as far Cambodian economy overtakes Vietnamese economy in different aspect of development</td>
<td>99%</td>
</tr>
</tbody>
</table>

| Vietnamese mainstream, | - Get well with fast rate change in cultural and national socio-economic development both passive (being subject of change) and active way (being | |

Table 1A. Characteristics, differences and similarities between Cambodian and Vietnamese entrepreneurs
indigenous (native) entrepreneurs | catalyst of change
- Investment in knowledge and human resource development
- Take advantage of cooperation and exchange within own environment and foreign businesses, but forget Vietnamese different ethnic groups
- Strive to discover niche market, extend existing ones through blue ocean strategy
- Tend to develop business first locally and nationally, and as next steps, regionally and internationally

<table>
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<tr>
<th>Table 1B</th>
<th>Main similarities between Cambodian and Vietnamese entrepreneurs</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodian ethnic minority entrepreneurs</td>
<td>S1. Similar cultural background, traditions, customs and practices</td>
<td>83%</td>
</tr>
<tr>
<td></td>
<td>S2. Low level of foreign language proficiency (mainly English)</td>
<td>92%</td>
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<td></td>
<td>S3. Start from a very low level of socio-economic and entrepreneurship development</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td>S4. No solidarity between entrepreneurs, within the society and invisible trend to integrate into a bigger one</td>
<td>77%</td>
</tr>
<tr>
<td>Vietnamese mainstream, indigenous (native) entrepreneurs</td>
<td>- Similar cultural background, traditions customs and practices</td>
<td>- Low level of foreign language proficiency (mainly English)</td>
</tr>
<tr>
<td></td>
<td>- Start from a very low level of socio-economic and entrepreneurship development</td>
<td>- No solidarity between entrepreneurs, within the society and invisible trend to integrate into a bigger one</td>
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<tr>
<th>Table 1C</th>
<th>Main differences between Cambodian and Vietnamese entrepreneurs</th>
<th>Results</th>
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</thead>
<tbody>
<tr>
<td>Cambodian ethnic minority entrepreneurs</td>
<td>D1. A majority of entrepreneurs are households who conduct small business without registration</td>
<td>87%</td>
</tr>
<tr>
<td></td>
<td>D2. Business still limited to own community and local level</td>
<td>92%</td>
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<td></td>
<td>D3. Traditional sectors of business only</td>
<td>100%</td>
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<td></td>
<td>D4. Closed, self-sufficient business within own community, without external exchanges (in terms of input and output)</td>
<td>75%</td>
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<td></td>
<td>D5. “Push” type entrepreneurship</td>
<td>73%</td>
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<td></td>
<td>D6. Supported by local and Vietnamese central government</td>
<td>50%</td>
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<tr>
<td></td>
<td>D7. Supported by Cambodian authority representatives (embassy and different associations) in Vietnam</td>
<td>77%</td>
</tr>
<tr>
<td>Vietnamese mainstream, indigenous (native) entrepreneurs</td>
<td>- Households are increasingly tending to get out of the dark and register their business in line with the positive prospect of development</td>
<td>- Business tends to reach national, regional and international level to be successful</td>
</tr>
<tr>
<td></td>
<td>- Business tends to reach national, regional and international level to be successful</td>
<td>- Industrial Revolution 4.0 based and related business sectors (branches) and experimental models become increasingly popular</td>
</tr>
<tr>
<td></td>
<td>- Open, interdependent externally society and businesses relying on external exchanges</td>
<td>- “Pull” type entrepreneurship</td>
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<tr>
<td></td>
<td>- “Pull” type entrepreneurship</td>
<td>- Supported by local and Vietnamese central government</td>
</tr>
<tr>
<td></td>
<td>- Supported by foreign and non-government organizations and associations</td>
<td>- Supported by foreign and non-government organizations and associations</td>
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Source: own development

According to results in Table 1B, there are four basic similarities between Cambodian and Vietnamese entrepreneurs. Excluding the most objective fact that all the them start business activity from the lowest level of entrepreneurship development in the region (S3, 100%) results in Table 1B show that the least majority of them (S4, 77%) are not willing to show solidarity within their ethnic circle; the most majority of them (S2, 92%) do not possess adequate foreign language proficiency, an important factor of today’s international entrepreneurship. Chinese ethnic entrepreneurs instead show very strong sign of internal solidarity within their inner circles, the most important success factor in business. This is due to weak cultural background, backward traditions, less innovative customs and inward oriented practices of entrepreneurs of small nations such as Vietnam and Cambodia (S1, 83%). However, not all of the respondents strongly agree with that.

According to research results in Table 1C, there are seven basic differences between the investigated Cambodian the Vietnamese entrepreneurs. Excluding the most obvious and objective fact that all the Cambodian entrepreneurs are operating in traditional business sectors of the Vietnamese national economy (D3, 100%) results in Table 1C show that the least majority of them (D5, 73%) are “push” type of entrepreneurship meaning the urgent need to create own job as a livelihood in contradiction to “pull” type
with territorial and social dimensions rather than desire to improve surroundings and changing people’s life in the community and immediate environment. Table 1C also shows that the majority of them (D2, 92%) are businesses that are limited to own community and of local level. This is due to the fact that a majority of entrepreneurs are households who conduct business without registration (D1, 87%) and closed, self-sufficient Cambodian community with less external exchange possible (D4, 75%). However, not all of the respondents strongly agree with that. In the research of differences between the Cambodian and the Vietnamese entrepreneurs, (local) government and institutional support are important. According to the results of surveys and interviews, 50% of Cambodian entrepreneurs feel and appreciate the support of local and Vietnamese central government for their business and livelihood (D6, 50%). The results also show that 77% of them feel and appreciate the same support but from Cambodian authority representatives, such as embassy, consulates, different associations and organizations functioning abroad with the mission to sustain and develop local Cambodian community here in Vietnam (D7, 77%).

Based on the results of carried out analysis we are sure that ethnic entrepreneurship is contributing significantly to the development of local community, adding new values to enhance livelihood of ethnic community itself as first, improving social justice, equality and the wealth of local environment as next. Understanding the contribution of Cambodian entrepreneurs to the local development of Vietnam’s Southern localities where they are living and conducting their business activities is extremely important for authorities, policy makers and social activists to adjust their plans, to take appropriate measures and to implement action programs accordingly. The aim of this research has been fully achieved as it revealed the practical implications and future development of Cambodian entrepreneurs to become important role model ethnic entrepreneurial community contributing sustainably to Vietnam’s development.

5. Conclusion

The article revealed how important is the role of ethnic entrepreneurship in the local socio-economic development based on in-depth analysis of Cambodian community living in the Southern Vietnam, facing current context of economic integration and social assimilation of diverse ethnic groups in Vietnam. This kind of entrepreneurship is critically needed and should be promoted accordingly for local and central government to issue policy measures and solutions for national and local development, preserving social justice between diverse social groups so that each of them could become driving force for national economic growth and social performance. This present article, based on the above obtained research results, proposes solutions to enhance ethnic entrepreneurship comprehensive understanding to further achievements of this entrepreneurship community in the future.

Firstly, social entrepreneurship appears in multiple forms: ethnic entrepreneurship, indigenous entrepreneurship, green entrepreneurship and others. Despite delving into ethnic entrepreneurship, this article proposes to connect all forms of entrepreneurship to obtain synergy effect for the purpose of intergenerational interest, environmental benefit and social development. Government initiatives should be in place to promote, to boost ethnic entrepreneurs’ willingness to engage in the local ventures benefiting community by setting priorities, privileges, creating favourable conditions, including financing (financial capital), social exchange (social capital) and knowledge enhancement (entrepreneurial capital). Local government should have a vision and plan of ethnic minority development to engage them into local business niches that are left by mainstream entrepreneurs.

Secondly, the social and ethnic enterprises need multidimensional support from governmental institutions and third parties in order to develop, fulfil their specific mission and overtake the roles of local government. Especially, ethnic groups usually are underprivileged, disadvantaged and even discriminated amongst other social groups as they are unable to speak local language, poorly educated, deprived of healthcare services and social insurance. They are less integrated socially and culturally with the rest of mainstream society. Public supports should help them overcome life obstacles in a short run and boost their entrepreneurial spirit to set up own business in a long run. Government’s first steps of support are needed to guide them accordingly, in line with national development strategy.

Finally, commercial entrepreneurship skill sets are easier to adopt and acquire than sophisticated social entrepreneurship skill sets. It is the role of local universities to educate ethnic entrepreneurs from diverse communities, to equip them with appropriate knowledge and skills to adapt quickly to fast evolving Vietnam’s socio-economic and entrepreneurship landscape, where the need of competition and supplement (to fill the economic gaps left and/or to take advantage of unexplored niches undiscovered by each other) between the ethnic entrepreneurs and the mainstream entrepreneurs is urgent for the local socio-economic development, in line with on-going irreversible trend in developed world.
References:


