
Solutions to Promote Startup for the Youth in Minority and Mountainous Region of Thai Nguyen Province - Vietnam

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Abstract: Since startup has been becoming hot issue in many Vietnam universities and communities in recent years, we performed this study relating startup in minorities in such cities as Thai Nguyen city in the North of Vietnam.

By using mainly qualitative analysis, analytical, synthesis and inductive methods, this study specified that it is better to train and equip young people with startup experiences through mass media and through local youth union activities because they may lack of experiences. Next, it is necessary to train and propagate about the experiences of some young startup models in the area; set up startup groups and clubs at all levels, from commune / ward levels to support young people with startup knowledge for each specific field.

Finally, our study also propose conclusion with recommendations for startups.

Keywords: Startup, Thai nguyen, Mountainous region, Vietnam.

JEL: M10, M13, M21, O30

INTRODUCTION

First we see the necessity:

The community of ethnic minorities (EM) is an inseparable part of the Vietnamese people, all of them are "Children of Dragon and Descendants of Fairy" living in harmony in an area of nearly 250,000 km², accounting for more than 75% area of the nation. In the whole country, there are 53 ethnic minorities living in 52/63 provinces and cities spreading from North to South, from West to East. However, the rate of poor households in ethnic minorities and mountainous areas is still over 20% (3 times higher than the national average), especially some ethnic groups have poverty rates above 50%. Poverty reduction and sustainable development of ethnic minorities and mountainous areas have always been a matter of special concern by the Party and the State of Viet Nam. Startup is being seen as a new approach to poverty reduction and sustainable development in this area.

Thai Nguyen is a province in the Northern Midlands and Mountains of Viet Nam. The whole province has 51 ethnic groups living together, of which there are over 384 thousand of minority people, accounting for 29.87% of the province's population. The poverty rate in the ethnic minority and mountainous region of the province by the end of 2019 is 6.17% (much lower than the national poverty rate). However, in order to develop sustainably, it is necessary to promote the endogenous strength of all social strata based on the advantages of each region and each locality through encouraging startup activities, especially that of the youth in minority and the mountainous region.

Startup for young people in general has been difficult, startup for young people who belong to ethnic minorities is much more difficult as most of the ethnic minorities live in mountainous and remote areas of the province with low educational level, difficult economic conditions,... leading to difficulties in transportation and trade conditions, difficulties in accessing information, difficulty in accessing State policies, Therefore, it is necessary to study the current situation of the startup of young people in minority and mountainous region in Thai Nguyen province to propose solutions to promote their startup activities in order to create jobs, reduce poverty and develop sustainably for ethnic minorities in particular and people in Thai Nguyen province in general in the coming time.

LITERATURE REVIEW

First of all, Gelderen et al (2005) suggested that start-up efforts differ in terms of the characteristics of the individual(s) who start the venture, the organization that they create, the environment surrounding the new

venture, and the process by which the new venture is started. The results point to the importance of perceived risk of the market as a predictor of getting started vs. abandoning the startup effort.

Olugbola (2017) highlighted the positive effect of opportunity identification, motivation, and resources on entrepreneurship and the central role of entrepreneurship training in all factors, including entrepreneurial ability. The role of entrepreneurship training implies that young individuals are able to develop their entrepreneurial ability. The study thus shows the individual's ability to change over the course of a lifetime.

Next, Okrah et al (2018) found out Two factors of success of every startup is its consistency with innovation and continuous flow of funds. But there are a number of factors which affect these two factors, mostly financing due to the high level of risk involved in startups, looking at the statistics, it makes it much more difficult for any investor to trust in any startup.

Global Entrepreneurship Monitor in a survey from 2001-2006 showed Increased GDP will create higher investment opportunities in new business activities. In fact, more than 90% of startups fail.

Beside, Kim et al (2018) mentioned that idea commercialization is the most important success factor as an innovation criterion among the four success criteria of design startups. Hence, entrepreneurial conditions, such as goal-orientation and entrepreneurs' competence, are important success factors for design startups.

METHODOLOGY

Authors mainly use qualitative analysis, including synthesis, inductive and explanatory methods. Beside, this study also uses analysis in an empirical case study in Thai Nguyen city Vietnam.

Last but not least, we also use dialectical materialism method.

MAIN RESULTS

Current Situation of the Startup of Young People in Minority and Mountainous Region in Thai Nguyen Province

Like many other localities across the country, Thai Nguyen province has promoted activities to support and encourage startup activities in all fields. Specifically, the Department of Science and Technology has advised the Provincial People's Committee to issue the Plan No. 113/KH-UBND dated 30/6/2017 on "Supporting an innovative startup ecosystem in Thai Nguyen province to 2025. "; Resolution No. 09/2019/NQ-HDND of the People's Council of Thai Nguyen province, Term XIII, 10th session, on December 11th 2019, promulgating regulations on content and level of spending to support the startup ecosystem of innovative startups in Thai Nguyen province until 2025 and organize contests on technical innovation in Thai Nguyen province; Resolution No. 09 of the Provincial People's Council on "Regulations on the content and level of spending to support the ecosystem of innovative startups in Thai Nguyen province until 2025 and organize contests on creative innovation of Thai Nguyen province". Thereby, many startup support programs have been deployed. Typically: Innovative Startup Day 2020 - Workshop "Startup in the Resistance Capital" organized by Thai Nguyen University and Thai Nguyen Department of Science and Technology on October 6th 2020 at Thai Nguyen University, which received a total of 132 ideas/projects in various fields such as economics, medicine, business administration, agriculture, information technology, biotechnology,... participating in the contest. This is an important premise to develop startup models into business enterprises in the area.

In Thai Nguyen, ethnic minorities account for 29.87% of the province's population, of which the proportion of young people from ethnic minorities and mountainous areas accounts for over 30%. Therefore, poverty reduction for ethnic minorities and ethnic minorities is paid special attention by the Party, the State, as well as the local authorities. Thai Nguyen province has had many programs and projects for ethnic minorities and people in the mountainous region such as the Program "Socio-economic development in the safe and difficult areas in Thai Nguyen province in the period of 2017-2020"; Project to erase villages with electricity shortage, white electricity to the national grid; The project of deleting temporary classrooms in extremely difficult areas... was issued and implemented, making an important contribution to change comprehensively the lives of ethnic minorities in Thai Nguyen province. However, in order to sustainably eradicate hunger and reduce poverty for ethnic minorities and mountainous people, it is extremely important to promote the internal strengths of the people through startup support and promotion activities. However, for ethnic minorities, starting a business should be understood properly as setting up a career, ie creating jobs for themselves on the home land, based on exploiting local advantages.

In the province, the percentage of young people starting a business is still very modest. In the whole province, there are over 50 cooperatives owned by the youth union members and young people (in which, young people of ethnic minorities account for less than 10%), contributing to job creation and stable income for nearly 1,000 employees: La Hien Agriculture and Trade Cooperative (Vo Nhai District), Binh Minh Cooperative (Phu Binh District), Tan Linh Youth Cooperative (Dai Tu District), La Hien Clean Agricultural Cooperative (Vo Nhai District), Tea Cooperative Son Dung (Thai Nguyen City), Trang Xa Clean Agricultural Cooperative (Vo Nhai District), Dinh Hoa Safe Agricultural Cooperative... Since then, more and more young people have chosen the

cooperative as the starting point on the way of career establishment. Some typical ethnic minority youth's startup models in the area are:

Model of Dinh Hoa Cooperative Producing Safe Agricultural Products

Director of the Cooperative: Hoang Dinh Lap, born in 1992 (Tay ethnic group) participated in the contest "Creative ideas for young people in Thai Nguyen province in 2019" with the model of high technology application in the production of safe and clean vegetables and fruit in Phuong Tien commune. There are 8 members participating, with a total of 12 employees, an area of 1.5 hectares of safe cultivation, and 3,700 m² of greenhouse. The cooperative produces 2 main products which are mouse-shaped cucumber and "climb" cucumber, with the output of 15-18 tons/ha. Main consumer markets are Dinh Hoa town and Thai Nguyen city through a system of collaborators and through a system of clean vegetable retail stores in Thai Nguyen city. The selling price of melon is 25-30k / kg; cucumber 18-25k / kg, creating stable income for members and employees from 5 -7 million VND/month.



The model of La Hien Agriculture and Trade Cooperative

The model locates in Lang Lai Village, La Hien Commune, Vo Nhai District. Director of the cooperative: Tran Trong Tan (ethnic Tay) - Former deputy secretary of Youth Union of La Hien commune. The Cooperative was established in May 2019 with 8 participating members, 15 regular employees and the initial capital contribution of the members of 500 million VND. The main business activity of the cooperative is raising buffaloes, cows and deer. The cooperative has a system of barns that are invested in scale and standards. In the two years of 2019 and 2020 the cooperative has raised and sold 37 breeding cows; 20 deer. Annual turnover is over 1.2 billion VND, creating stable income for members and employees from 6-7 million VND/month.



According to Mr. Lap - Director of Dinh Hoa Safe Agricultural Production Cooperative, at the present the biggest difficulty of the cooperative is a stable source of products to bring to the market. But because the total cultivated land area of the cooperative is 1.5 ha only, of which 3,700 m² is for greenhouse, the output is not enough to sign regular consumer contracts for supermarkets and large stores, so the cooperative have to signs with other stores of clean fruit and vegetables in the district and Thai Nguyen city, but the output market is sometimes unstable because the operation of this system of shops still in unstable, making people unsure when joining the cooperative. Meanwhile, to mobilize people to join the cooperative, it is difficult because people are still producing according to their habits and do not want to change traditional farming methods.

According to Mr. Tan, director of La Hien Agriculture and Trade Cooperative, the biggest difficulty of the cooperative is the issue of capital. Due to the specific characteristics of the cooperative that breeding buffaloes and cows requires a large initial capital, the price of buffalo breeds, cows for breeds is around 20 million VND / head, requires member households to invest a large amount of capital, while the amount of capital of households becomes Small members, this leads to difficulties for the cooperative in mobilizing members to participate. In addition, it is difficult to instruct member households to raise buffaloes and cows according to technical standards, hygiene and disease prevention methods... because the breeding habits of farmers are difficult to change to meet the requirements for commercial buffalo and cow inspection when placed on the market.

The startup story of young ethnic minority youth in Thai Nguyen province shows the dynamism, creativity, dare to think, dare to do, and dare to take risks of young people in getting rich in their home land.

CONCLUSION AND RECOMMENDATION

Startup is a topic that receives a lot of attention in Vietnam, especially in the context of the country's strong integration with the world economy. Startup are expected to create economic growth, create jobs for the community and society. In particular, Youth Union organization play a pivotal role to build the spirit of startup, create a pioneering spirit and spread pioneering spirit widely, at the same time create a favorable environment to promote and support young people in the process of innovative and creative startup. Especially for the young people who are ethnic minorities, start-up support is extremely necessary. However, the reality of starting a

business of ethnic minority youth in Thai Nguyen province still faces many difficulties, shortcomings: the support capital for startup models is limited; the linking parties in production and business activities of startup models was still poor; the awareness of members and people about entrepreneurship is not sufficient...

In addition, the youth's lack of experience, lack of knowledge to manage and operate production and business activities when starting a business is also a major limitation. To encourage startup activities in general and start a business for the youth of ethnic minorities in particular in Thai Nguyen province, the author proposes the following:

Firstly, it is necessary to raise young people's awareness of the necessity of startup for themselves and the community through mass media and through local youth union activities.

Secondly, it is necessary to train and propagate about the experiences of some young startup models in the area; set up startup groups and clubs at all levels, from commune / ward levels to support young people with startup knowledge for each specific field.

Third, coordinate with research institutes, universities in the area to support the youth of ethnic minorities and mountainous areas with startup ideas and startup models in management knowledge, production and business techniques, consulting, supporting sales and product introduction.

Fourth, enhancing the role of Youth Union organization, the role of the Provincial Ethnic Affairs Committee, the City/District Division of Ethnic Minorities in encouraging ethnic minority youth to establish career in localities. Supporting concessional loans, supporting to build a number of startup models for young ethnic minorities and young people piloting in districts/cities under the national target program for socio-economic development in ethnic minority areas mountainous areas in the period of 2021-2030, in order to take advantage of the local advantages for socio-economic development, poverty reduction and getting rich in their own homeland.

Hazudin et al (2015) indicated women are more likely to engage into business if their family matters are still can be prioritized, which is less likely to be a man issue. Meanwhile, men perceived innovation and risk taking activities are less likely to influence performance of their business than what women thought they should have to be. Further, it seemed more challenging for women to succeed in business without knowledge and skills competency compared to men. However, men found dealing with business malpractice posed a great challenge in business where women are less experienced with it.

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