

Chapter 9

Rural Entrepreneurship in Vietnam: Identification of Facilitators and Barriers

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ABSTRACT

Rural Vietnam can be defined in three settings that include agriculture, rural development, and rural livelihoods, in which the agriculture has played a critical role in Vietnam's economy, contributing 20% to the GDP and 40% to the working population. This chapter attempts to identify the facilitators and potential barriers to rural entrepreneurship in Vietnam by following a qualitative research design examining the literature. Further, the chapter particularly attempts to identify the facilitators and potential barriers to develop rural entrepreneurship in the high-tech context. The analysis of the study illustrates the two most critical facilitators for rural entrepreneurship in Vietnam as "enterprise capitals" and "innovation including technology." Further, the study also highlighted barriers such as "limited access to distribution channels" and "limited access to business support and technology."

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INTRODUCTION

Vietnam is an agricultural nation with the mainland of more than 331,699 km² of which the context of rural can be seen in three settings, including agriculture, rural development and rural livelihoods (Powell et al., 2011). In this context, agricultural entrepreneurship plays a significant role in rural business. Further, this contributes to Vietnam's economy with more than ten million hectares of agricultural produced land area, making up one-third of Vietnam's economy. Vietnam agriculture sector's growth rate was comparable to India, Bangladesh and Bhutan in the Asia-Pacific region (Statista, 2020). The agriculture sector contributes around 20 per cent to the gross domestic products (GDP) annually while employing 40 per cent of the working population in Vietnam (Vietnam-Briefing, 2018), while total rural sector accounted for 15.34 and 15.28 per cent of the country's GDP in 2017 and 2018, respectively (Statista, 2020). Production of rural businesses has increased drastically in the latest years through various challenges, for instance, market price instabilities, natural tragedies and pandemics, etc. (Nguyen et al., 2014).

Vietnam's farm production has not received a solidly competitive edge in both domestic and foreign markets, partly resulted from lack of high technologies implemented in the business (Asia-News-Monitor, 2018). The term "high tech agriculture" was defined by Vietnam high-tech laws (Article 19, Section 1) which is a broad concept referring to a wide range of new technical tools for accelerating the adoption of high and new technologies that can improve the performance of farming practices and farm management. However, in the last ten years, only 29 agricultural manufacturing zones with 192 enterprises have involved high technology in their production among thousands of entrepreneurs and agricultural zones (GSO, 2018), which is a relatively insignificant ratio. Therefore, high tech agriculture development has been promoted by both Vietnam's government and entrepreneurs as a necessary direction for improving domestic farm produce and competing with imported products (Vietnam-Briefing, 2018). It is a solid belief that agriculture enterprises and households in rural regions have benefited and will benefit from the application of high tech and the adoption of international standards.

This chapter, hence, attempts to answer two critical questions:

1. What are facilitators supporting Vietnam's rural entrepreneurship in this digital era? And
2. What contextual constraints exist, preventing the impact of digitalization in rural entrepreneurship activities in Vietnam?

Supporting this content, the background of this study includes a review of the literature regarding the prominence of rural entrepreneurship to rural development and the economic context in Vietnam's history concerning the digital era. A few rural entrepreneurship frameworks are discussed, considering the implementation of these conceptual frameworks in the current studies. Later, the research methodology and the research outcomes from a national interview content analyzing, following by an investigating of the discoveries, implications, and the study's limitations, to conclude the section.

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