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Start-up for Youth

¹Pham Ngoc Yen, ²Nguyen Van Hau

¹University of Labour and Social Affairs, Vietnam

²Posts and Telecommunications Institute of Technology, Vietnam

Corresponding Author: **Nguyen Van Hau**

Abstract

In recent years, the startup movement across the country has spread and developed strongly. From the direction of the central, local, and all levels and branches, especially the ministries, the union and the association have promoted their core roles in creating a favorable environment and promoting and supporting young people in the process of start-up and innovation. Nafukho and Helen Muyia (2010) ^[13] affirm that start-ups are vital to creating and perfecting a healthy economy. Start-up is the act of an individual accepting risks to create a new business and becoming self-employed with the aim of getting rich, or start-up is the act of starting to create a new business by investing business

capital. Opening a business store is also considered a start-up (Driesen *et al.*, 2006) ^[5]. The aim of this study is to present start-ups to young people in Vietnam. The study uses qualitative research methods with synthesis and comparison techniques to analyze and discuss start-ups for young people. Besides the results achieved, start-ups for young people in Vietnam still have some limitations. Based on the research results, the author proposes a number of implications for promoting start-up activities for young people, thereby contributing to solving jobs and developing the economy in the context of the 4.0 industrial revolution.

Keywords: Start-Up, Employment, Business Performance, Human Resources, Economics

JEL Codes: F66, J01, O15

1. Introduction

The phrase startup or stories about startups are no longer new to many people. However, the entrepreneurial spirit, enthusiasm, and passion on each person's path to self-determination and career will always be a new and interesting story.

Facing the trend of increasingly deep international integration, the development of science and technology creates opportunities for young people to study, work, access information quickly and multi-dimensionally, and have good conditions to develop their abilities. They also participate well in the activities of the Union-Association and strive to establish their own careers.

In recent years, the startup movement across the country has spread and developed strongly. From the direction of the central, local, and all levels and branches, especially the ministries, the union and the association have promoted their core roles in creating a favorable environment and promoting and supporting young people in the process of start-up and innovation.

State management agencies in provinces and cities have issued many guidelines and policies and implemented many activities to support youth startups, coordinating with banks to create conditions for youth to borrow capital. Thereby creating favorable conditions and environments to help young people develop economically and become rich while providing the market with high-quality products and creating jobs for young people in the area.

Currently, the Party and State's policy of strongly developing the national entrepreneurship program has been encouraging and promoting the entrepreneurial spirit of union members and youth. There have been many examples of outstanding union members and young people who have had creative startups worth billions of dong since they were still in school. In order to create stronger motivation for the country's youth, promote the pioneering role of youth, and create a favorable environment to promote and support youth in the process of entrepreneurship and innovation at all levels, the Party Committee, the government, and the entire political system in general, and the Ho Chi Minh Communist Youth Union in particular, need to focus on and propose appropriate policies and solutions to encourage and support union members and young people to start-up.

2. Literature review

2.1 Background theory of start-ups

Social cognitive theory

Social cognitive theory (Bandura, 1989) [3] believes that each individual's learning takes place in a social environment with the interaction of three groups of cognitive and behavioral factors and environmental factors. All three factors interact with each other, shaping and explaining why an individual commits to a particular behavior.

Entrepreneurial potential model theory

According to the entrepreneurial potential model theory (Krueger & Brazeal, 1994) [8], everyone involved in starting a business is informed by planned behavior and intention. Therefore, the business start-up potential model is a model that evaluates business intentions influenced by trust and potential, focusing on behavior, trusts, and beliefs or based on cognition. Comes from a sense of desirability and a sense of feasibility.

The theory of planned behavior (TPB)

The Theory of Planned Behavior (TPB) (Ajzen, 1991) [1] has become one of the most widely used theories in social psychology in general (Ajzen, 2012) [2].

Ajzen's (1991) [1] theory of planned behavior explains the relationship between perceptions, intentions, and planned behavior. According to Ajzen (1991) [1], intended behavior can be predicted or explained by intentions. Intention is a function of three cognitive factors: behavioral attitudes, subjective norms, and perceived behavioral control. Once an individual's perception is true to reality, the factor "behavioral control" also directly participates in explaining expected behavior.

The research results of Krueger & Carsrud (1993) [9] made an important contribution to making TPB a reference theory in research on entrepreneurial intention. Since then, research on start-up intention has been expanded, with many different perspectives, including research on factors affecting start-up intention (Liñán & Fayolle, 2015) [11].

Entrepreneurial event theory

Entrepreneurial event theory by Shapero & Sokol (1982) [14] explains the direct connection between cognition and entrepreneurial behavior. According to Shapero & Sokol (1982) [14], the majority of individuals' "startup events" originate from situational factors. These contextual factors include negative displacements such as immigration, job loss, divorce, etc.; intermediate factors (between things) such as leaving the military, graduating from school, or leaving prison; and positive changes (potential displacements) such as meeting business partners, discovering opportunities and potential customers, getting an investment, etc. However, from the time contextual factors appear that give rise to an intention until the actual establishment of a business, there are two groups of intermediate factors involved in the decision of a potential entrepreneur: desirability and feasibility. Both of these factors depend on each individual's perceptions and come from their cultural, social, and economic environment. In other words, each individual must perceive entrepreneurial behavior as desirable and feasible before they can make the decision to actually start a business.

2.2 Start-up and role of start-up

Start-up includes the activities necessary to create a new organization (Gartner, 1989) [6] or form a new firm (Krueger *et al.*, 2000) [10].

According to Henderson *et al.* (2000) [7], start-ups are highly related to a number of personal characteristics, such as creativity, independence, and risk-taking.

Start-up is the act of an individual accepting risks to create a new business and becoming self-employed with the aim of getting rich, or start-up is the act of starting to create a new business by investing business capital. Opening a business store is also considered a start-up (Driesen *et al.*, 2006) [5].

Nafukho and Helen Muyia (2010) [13] affirm that start-ups are vital to creating and perfecting a healthy economy.

Startups are organizations with innovative, risky, and high-growth business projects, often requiring a large amount of outside funding (Cable, 2010) [4].

Start-ups are an individual's willingness and ability to seek investment opportunities and to establish and run a successful business based on recognizing opportunities in a business environment (Mekonnin, 2015) [12].

Thus, startups must ensure two factors: "start" and "up." "Start" means you start with a new idea, or if the idea is not new, the way of doing it must be groundbreaking and often associated with the application of technology. "Up" is related to commercialization and market size, meaning that the idea must be able to be implemented in practice, have customers or potential customers, and be expandable to "up" as quickly as possible.

3. Discussion and implications

The credit access policy has Decision 1726/QD-TTg approving the "Project to improve access to banking services for the economy"; Circular 39/2016/TTNHN regulating the lending activities of credit institutions and foreign bank branches to customers; and Decision 844/QD-TTg approving the "Supporting the national innovation startup ecosystem until 2025."

Information and resources to support start-up businesses are specified in policy documents issued, such as Project 844 issued on May 18, 2018, Decree 35 issued on May 16, 2016, and Decree No. 39 issued on March 11, 2018.

Many localities have been organizing direct training for students, rural youth, ethnic minority youth, and remote areas. Organize training via the internet for youth groups with a lot of access to media. Introducing new production technologies, business management models, and new product distribution models. At the same time, deploy activities to support young people to self-study and equip themselves with knowledge about start-ups, including consulting and supporting, mobilizing resources to support youth startup ideas, connecting startup support funds and startup investors, and building a sustainable startup ecosystem to support youth startup projects and models.

In recent years, youth unions and associations at all levels have also organized many training classes and implemented activities to support young people to self-study and equip themselves with knowledge about entrepreneurship, including consulting and supporting, mobilizing resources to support youth startup ideas, connecting startup support funds and startup investors to support youth startup projects, and developing and supporting young people's startups and creative models and ideas.

The "Rural Youth Startup Project" competition in 2023 was launched by the Central Youth Union to encourage, encourage, orient, and build the spirit of entrepreneurship, establishing a business, and participating in economic development in rural areas of young people; at the same

time, create a favorable environment to promote and support rural youth to start businesses, innovate, and be creative; promote the role of youth in economic development; and participate in restructuring the agricultural sector.

Youth entrepreneurship is the process of Vietnamese citizens between the ages of 16 and 30 participating in implementing individual or collective business ideas, including the process of establishing and operating a business within 5 years from the date of the first issuance of a business registration certificate that is not yet listed on the stock market.

Young creative entrepreneurs are Vietnamese citizens aged 16 to 30 who start a business based on creativity (based on a new technology, creating a new business form, or building a new segment of the market, etc.). Youth are an important resource contributing to local socio-economic development.

Vietnam is emerging as an economy with a strong entrepreneurial spirit, in which the startup rate of women in recent years is not inferior to that of men. As of the end of 2020, women-owned businesses accounted for about 30% of the total number of operating businesses. The rate of women-owned businesses in Vietnam improved rapidly in the period 2011–2018 but decreased in 2019 and 2020 and has not achieved the goals set out in the National Strategy on Gender Equality. During the 5 years of implementing Project 939, there were 74,498 business ideas from women, 50,000 women started businesses, and 50,665 newly established women's businesses were consulted and supported to improve business development capacity. The amount of capital supporting women's startups is up to 316,049 billion VND (Vietnam Women's Union, 2022).

According to SYS Vietnam (2020), the COVID-19 pandemic has caused great damage to the business community in general and startup businesses in particular, with up to 50% of startups confirmed to be in a state of stagnant operations. moderate and generate insignificant income; 23% of start-ups believe that they are losing opportunities to raise capital and expand the market; 20% of start-ups choose to freeze activities, meaning stopping all production and business activities; 4% of start-ups had to stop all advertising activities on all platforms, both online and offline, to save costs; and only 3% were affected in a limited, insignificant way. The main reasons stem from lack of capital (accounting for 40%), lack of knowledge about small and medium-sized enterprise management (accounting for 50%), lack of practical experience in the business environment (accounting for 30%), In other words, there is a high proportion of students and young entrepreneurs who rely on luck in establishing businesses.

It is very difficult for start-up businesses to access external support resources. On the other hand, the risk of failure for startups in the early stages is quite large, so building a network of relationships is highly encouraged (Zhang & Li, 2010) [16].

Some localities have gathered young startups and young entrepreneurs in many different business fields to support and exchange business products. In particular, create an environment to connect with young people who are passionate and have startup ideas to share experiences and orient methods on the path of development. Along with that, communication activities Discussion and dialogue between young people and local leaders and successful young businessmen create opportunities for youth union members to grasp content related to local mechanisms and policies in

economic development and regulation. Orienting production and business plans in accordance with increased market demand.

Some localities are committed to always accompanying young people and innovative startups, helping projects and entities develop more effectively. At the same time, we always share solutions to overcome difficulties in mechanisms and policies and listen to the opinions of the young startup community to create the best conditions for young people to start businesses successfully. In particular, regularly praise and reward exemplary entrepreneurial youth to encourage the entrepreneurial spirit.

Provinces and cities should raise awareness about entrepreneurship among young people through business start-up education for students while still in school. Promoting the role of provincial professional schools, training organizations, and startup advisory networks in the provinces in raising awareness and inspiring entrepreneurship among young people.

Localities should improve local regulations and requirements to motivate young people to start businesses. Promoting the role of governments at all levels and social organizations in supporting youth startups.

Localities, educational institutions, and society should have solutions to promote the entrepreneurial spirit of young people by giving them confidence in themselves along with family support. Educational and social institutions.

Localities should have strategies to influence and raise people's awareness about startups.

Young people starting a business should not be discouraged by difficulties and setbacks. Starting a business and encountering failure is unavoidable, but if you know how to learn from failures, you will soon be closer to success. Young people should have the spirit of daring to engage and cope with difficulties to achieve good results.

With the support of all levels, sectors, units, and localities, the entrepreneurial path of young people has become much more favorable. And certainly, the stories, achievements, and failures of young entrepreneurs will be profound practical lessons, inspiration, and motivation for young people to confidently step onto their own entrepreneurial path.

This study contributes to clarifying the factors that motivate young people to start businesses, thereby proposing solutions to help mountainous provinces promote start-up activities for young people in the future.

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