

ENHANCING THE EFFECTIVENESS OF CREATIVE ENTREPRENEURSHIP IN VIETNAM**Vu Ngoc Thang**

Dai Nam University, Vietnam

ABSTRACT

Creative entrepreneurship plays a vital role in driving innovation, fostering economic growth, and enhancing national competitiveness. Recognizing the significance of creative entrepreneurship, Vietnam has implemented numerous policies and support programs to promote creative startup activities nationwide. However, enhancing the effectiveness of creative entrepreneurship in Vietnam requires a collaborative effort from stakeholders, including the government, businesses, investors, universities, and the community. This paper analyzes the opportunities, challenges, and proposes solutions to improve the effectiveness of creative startup operations in Vietnam within the current context.

Keywords:

Creative entrepreneurship, technology, Vietnam.

1. INTRODUCTION

Creative entrepreneurship is not only a crucial factor in driving innovation and creativity but also a primary force behind economic growth and enhancing national competitiveness. In the context of an increasingly fast-changing global economy, the creation of new products and services, the improvement of processes, and the adoption of new technologies have become decisive factors in maintaining and developing a country's competitive edge. Recognizing the essential role of creative entrepreneurship, Vietnam has actively implemented a range of policies and support programs to encourage and develop this sector. The Vietnamese government has issued a series of policies and action plans to support innovative startups, including providing funding, creating favorable legal conditions, and building support infrastructure such as incubators and startup parks. Support programs for creative entrepreneurship have helped many startups access essential resources, from financial to technical support, and created opportunities for them to develop and expand their markets.

However, despite these efforts yielding positive results, creative entrepreneurship in Vietnam still faces numerous challenges. Key issues include a lack of funding, uneven support across regions, and insufficient connectivity between stakeholders. To address these issues and enhance the effectiveness of creative entrepreneurship, a more coordinated and comprehensive strategy is needed, where all stakeholders must work together, coordinate closely, and fully leverage existing opportunities. This paper will analyze the main opportunities and challenges in the field of creative entrepreneurship in Vietnam and propose several solutions to enhance the effectiveness of creative entrepreneurship in the current context. These solutions aim not only to strengthen the competitive capability of startups but also to contribute to the sustainable development of the national economy.

2. OPPORTUNITIES AND CHALLENGES IN CREATIVE ENTREPRENEURSHIP IN VIETNAM

Creative entrepreneurship is not only a highly promising field but also a crucial driver of economic development and national competitiveness. In Vietnam, creative entrepreneurship has received significant attention and investment in recent years. While there are numerous opportunities for creative entrepreneurship in Vietnam, there are also several challenges.

2.1. Opportunities

Creative entrepreneurship in Vietnam currently benefits from several significant opportunities, thanks to government support, international integration, and a rich pool of human resources. These factors not only create favorable conditions for the growth of startups but also open up new prospects.

Firstly, government policies and support.

The Vietnamese government has implemented various policies and programs to support creative entrepreneurship, aiming to facilitate the growth of startups. Notably, the Law on Support for Small and Medium Enterprises, along with related decrees and circulars, offers several incentives such as tax reductions, financial support, and lower

training costs. These policies not only alleviate the financial burden on startups but also create a conducive environment for developing new ideas and business models. Specifically, the Project 844 "Support for the National Innovative Startup Ecosystem until 2025" is a prominent initiative designed to enhance Vietnam's position in the startup sector. Decree No. 13/ND-CP concerning scientific and technological enterprises, along with Directive No. 09/CT-TTg (dated February 18, 2020) on creating favorable conditions for innovative startups, also play a crucial role in supporting startups. Decision No. 897/QĐ-TTg approving the "Support for Youth Entrepreneurship" program for the 2022 - 2030 period, combined with Circular No. 16/2022/TT-BLĐTBXH from the Ministry of Labor - Invalids and Social Affairs on career counseling and support for students in vocational education institutions, has been contributing to the improvement of the startup ecosystem. These policies and programs not only enhance the quality of training and provide entrepreneurship knowledge and skills to learners but also strengthen the capabilities of staff and lecturers in supporting entrepreneurship. Simultaneously, these policies help connect startups with resources and networks within the entrepreneurial community. The emergence of domestic investment funds is also a critical factor, providing investment capital and creating conditions for startups to overcome challenges and develop sustainably in a challenging environment.

Secondly, enhancing international connections and economic integration.

Vietnam is actively integrating into the global economy, opening up many new opportunities for startups. Free Trade Agreements (FTAs) help reduce tariffs and trade barriers, making it easier for businesses to access international markets. The increased connectivity with international partner networks not only provides opportunities to learn from global companies but also helps expand export markets and access advanced technologies. This creates an attractive and promising international business environment for creative startups in Vietnam.

Thirdly, a young and creative workforce.

Vietnam boasts a young and dynamic workforce, trained at leading universities and research institutes. Many universities have integrated entrepreneurship programs into their curricula, nurturing a generation of creative and innovative entrepreneurs. Startup competitions and training programs also provide opportunities for young founders to showcase their ideas and seek the necessary support to realize their projects. This young and creative workforce is a crucial factor contributing to development and innovation in the field of creative entrepreneurship.

Fourthly, the development of technology and digital platforms.

The explosion of digital technology and platforms is creating many new opportunities for startups. Advanced technologies such as artificial intelligence, blockchain, and the Internet of Things (IoT) not only open up new business opportunities but also help startups optimize their operations and innovate their business models. Online platforms provide access to a global customer base, while also reducing operating costs and enhancing competitiveness. This development helps creative startups improve operational efficiency and expand market reach.

Fifthly, the startup ecosystem and co-working spaces.

The development of the startup ecosystem in Vietnam, including startup support organizations, incubators, and co-working spaces, creates a favorable environment for startup growth. Startup support organizations offer essential services such as networking, technical resources, and expert advice. Co-working spaces not only help save costs but also create a flexible and convenient environment for networking and collaboration among startups. These factors play a crucial role in building a solid foundation for the sustainable development of creative startups.

2.2. Challenges

Although creative startups in Vietnam are experiencing significant opportunities, they also face several challenges that need to be overcome to achieve sustainable success. These challenges can hinder the development of creative startups and must be addressed effectively. Below are the main challenges faced by creative startups in Vietnam:

Firstly, lack of funding and financial resources.

One of the biggest challenges that creative startups encounter is the shortage of capital and financial resources. Despite various government support policies, access to venture capital and support funds remains limited. Investors are often cautious about investing in startup projects due to high risks and uncertain returns. This creates a significant burden for startups, especially in the early stages of development when capital is needed to execute ideas and scale operations.

Secondly, lack of management experience and specialized knowledge.

Many entrepreneurs in Vietnam lack the necessary management experience and specialized knowledge required to run a creative business. This can lead to poor decision-making, ineffective management, and an inability to develop a sound business strategy. The deficiency in management and specialized skills not only affects the operational capability of the business but can also reduce the chances of attracting key investors and partners.

Thirdly, intense competition and market pressure.

The creative startup market in Vietnam is becoming increasingly competitive, with the emergence of numerous new businesses and international competitors. Intense competition can reduce the success chances of startups, particularly those without clear differentiation or sustainable competitive advantages. Market pressure demands that businesses rapidly innovate and adapt to maintain their position.

Fourthly, difficulties in building networks and partnerships.

Establishing a strong network and partnerships is crucial for the development of creative startups. However, many startups struggle to access and build relationships with partners, investors, and customers. A lack of networking and collaboration can limit access to information, resources, and cooperative opportunities, thereby impacting the startup's growth and expansion capabilities.

Fifthly, issues with legal regulations and the business environment.

Despite various support policies, legal regulations and the business environment in Vietnam still present limitations. Complex administrative procedures and inconsistent regulations can pose challenges for startups in implementing and maintaining business operations. The lack of transparency and inconsistency in legal regulations can also create risks and reduce the reliability of the legal system for businesses.

These challenges need to be identified and systematically addressed to ensure that creative startups in Vietnam can develop sustainably and contribute positively to the national economy.

3. SOME SOLUTIONS TO ENHANCE THE EFFECTIVENESS OF CREATIVE STARTUP ACTIVITIES IN VIETNAM

In order to enhance the effectiveness of creative startup activities in Vietnam, solutions need to be implemented in a coordinated and effective manner. Here are some specific solutions:

Firstly, the government and financial institutions should strengthen financial support and expand capital resources for creative startups. It is necessary to broaden venture capital funds and provide preferential loans. Establishing credit guarantee mechanisms should also be considered to reduce risks for investors, thereby encouraging them to invest in startups. Additionally, financial support programs from state funds need to be improved to alleviate the financial burden on businesses during the early stages. Initiatives such as venture capital funds focused on creative startups should also be encouraged and developed.

Secondly, establishing training systems and developing skills is essential to improve the management and professional capabilities of entrepreneurs. Educational institutions and training centers need to collaborate closely with businesses and startup support organizations to offer courses on business management, leadership skills, and innovation. Training should be designed to be flexible and practical, helping entrepreneurs apply knowledge to real-world business scenarios. Moreover, opportunities for young entrepreneurs to access training programs and mentoring from industry experts should be provided to enhance their skills and experience. Training programs should also include soft skills such as communication, time management, and problem-solving to support the holistic development of entrepreneurs.

Thirdly, facilitating innovation and creativity is crucial for driving creative startups. To achieve this, a comprehensive support ecosystem for startups should be developed. Innovation centers and co-working spaces play a vital role in providing essential support services for businesses. These centers not only offer facilities but also connect startups with networks of partners, investors, and customers. Policies that encourage innovation and research should be implemented to support businesses in developing new products and technologies. This includes providing research grants and supporting experimental projects. Programs supporting startups in developing new technologies and products should be emphasized to help them maintain competitive advantages.

Fourthly, promoting international connections and cooperation will open up many opportunities for startups in Vietnam. The government and startup support organizations should organize conferences, exhibitions, and international networking events to help businesses connect with global partners and investors. Increasing collaboration with international organizations and participating in global startup networks will provide opportunities to access advanced technologies, learn from international businesses, and expand export markets. At the same time, businesses should be encouraged to engage in international cooperation programs and exchange experiences to enhance competitiveness and sustainable development.

Fifthly, improving the legal and administrative environment is necessary to facilitate the effective operation of startups. The government needs to continue reviewing and adjusting legal regulations to ensure that business registration and management processes are straightforward and unobstructed. Transparency and consistency in legal regulations must be ensured to create a stable and reliable business environment. Authorities should provide clear

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information and specific guidance on legal processes to help startups quickly understand and comply with legal requirements.

Finally, promoting research and development (R&D) activities is crucial for driving innovation and creativity. To support startups in researching and developing new technologies, investment in research support mechanisms is essential. The government and startup support organizations should provide research funds, research collaboration programs, and access to research resources. Businesses should also be encouraged to undertake research and experimentation projects to develop new products and technologies. Investing in R&D not only helps startups maintain innovation but also creates sustainable and valuable business opportunities.

These solutions will help enhance the effectiveness of creative startup activities in Vietnam and create a favorable environment for the development of startups. To achieve the best results, close coordination among stakeholders, including the government, businesses, investors, and the community, is essential.

CONCLUSION

Creative entrepreneurship is playing an increasingly important role in driving innovation, generating economic growth, and enhancing national competitiveness in Vietnam. In the context of a rapidly changing global economy, it is essential for Vietnam to develop and enhance the effectiveness of creative startup activities to fully capitalize on opportunities and address current challenges. The implementation of supportive policies by the government has created a favorable foundation for creative startups. These policies not only alleviate financial burdens but also facilitate the development and expansion of new ideas. Additionally, increased international connections, leveraging young and creative human resources, along with the rapid advancement of technology and digital platforms, have opened up many new opportunities for startups in Vietnam. However, to fully exploit these opportunities, Vietnam must face and address several significant challenges. Issues such as capital shortages, difficulties in accessing technology and information, as well as legal and administrative barriers need to be comprehensively addressed. Building financial support systems, training and skill development, facilitating creativity and innovation, promoting international cooperation, improving the legal environment, and boosting research and development (R&D) activities are crucial solutions to enhance the effectiveness of creative startups. To implement these solutions effectively, close coordination among the government, businesses, investors, universities, and the community is necessary. The collective efforts of all stakeholders will contribute to building a strong and sustainable creative startup ecosystem, thereby driving economic development and enhancing Vietnam's competitive position on the international stage. Overall, creative entrepreneurship is not only a key driver of economic growth but also a decisive factor in enhancing national competitiveness. With coordinated support and strategic development, Vietnam can create a conducive environment for the growth of creative startups and achieve significant success in the future.

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