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Enhancing Youth Entrepreneurship Support Mechanisms in Bac Ninh Province, Vietnam: An Empirical Analysis and Policy Implications

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Abstract

The transition of Vietnam's economy toward a high-tech, innovation-driven model relies heavily on the cultivation of a robust domestic private sector, which is intrinsically linked to the promotion of youth entrepreneurship. This research provides an exhaustive empirical investigation into the current mechanisms supporting youth entrepreneurship in Bac Ninh province, a premier destination for Foreign Direct Investment (FDI) and industrial manufacturing in Vietnam. Grounded in a comprehensive literature review encompassing human capital theory, institutional economics, and entrepreneurial ecosystem models, the study employs a mixed-methods approach. It synthesizes secondary macroeconomic data from provincial authorities and national reports with primary insights derived from youth-led enterprises across agricultural, industrial, and service sectors. The findings reveal that while Bac Ninh has implemented highly progressive policies—such as the unprecedented 90 billion VND youth startup fund entrusted through the Social Policy Bank, the deployment of Plan No. 151/KH-UBND for innovation, and the implementation of tax exemptions under Decree No. 20/2026/ND-CP—structural and operational bottlenecks persist. Young entrepreneurs continue to face significant barriers regarding access to scalable commercial capital, the acquisition of advanced entrepreneurial competencies, and integration into global supply chains dominated by multinational corporations. The study identifies a profound "FDI paradox" wherein high local labor costs and land values, driven by foreign enterprises, inadvertently crowd out nascent domestic startups. The discussion provides strategic, actionable policy implications for both provincial and central governments, emphasizing the critical need for alternative financing frameworks such as credit guarantee funds, rigorous curriculum reforms in higher education, and the creation of specialized incubation zones to foster direct supply-chain linkages between local youth startups and multinational entities. Ultimately, this research contributes to the broader academic discourse on transitioning regional economies from FDI-reliance to endogenous, innovation-led growth.

Keywords: Bac Ninh province; entrepreneurial ecosystem; FDI paradox; institutional support; youth entrepreneurship.

1. Introduction

Youth entrepreneurship is increasingly recognized by global policymakers and economic theorists as a vital catalyst for socio-economic development, technological innovation, and sustainable job creation in emerging economies. In the context of the Socialist Republic of Vietnam, a nation currently navigating profound demographic dividends and rapid global economic integration, fostering a resilient and innovative entrepreneurial mindset among the youth is not merely an economic objective but a strategic national imperative. The Communist Party and the State of Vietnam have consistently prioritized the empowerment of young people, viewing them as the vanguard of national modernization, industrialization, and global integration. The current macroeconomic landscape of Vietnam is characterized by dynamic shifts in global supply chains, presenting unprecedented opportunities alongside complex structural challenges (AHK, 2025). As the global economy navigates post-pandemic realignments, geopolitical restructuring, and technological disruptions driven by artificial intelligence, Vietnam has emerged as a highly attractive destination for foreign investment (General Statistics Office, 2026). However, sustaining this economic momentum and avoiding the middle-income trap requires a vibrant, innovative domestic private sector capable of complementing and eventually competing with foreign capital (General Statistics Office, 2026).

Bac Ninh province serves as a quintessential and highly dynamic microcosm of this economic transition. Geographically positioned within the Red River Delta and the Northern Key Economic Region—adjacent to the capital city of Hanoi—Bac Ninh has miraculously transformed from a traditional agrarian locality into one of Vietnam's premier industrial and technological hubs over the past two decades (AHK, 2025). The province ranks consistently among the top destinations for Foreign Direct Investment (FDI), hosting major multinational corporations such as Samsung Electronics, Amkor Technology, and numerous supporting industries that drive its immense export turnover and industrial output (AHK, 2025). In 2024, Vietnam's import-export turnover reached a record \$786 billion, with Bac Ninh playing a dominant role in the manufacturing of electronic products, computers, and optical components (AHK, 2025). However, this rapid, FDI-led growth model introduces systemic vulnerabilities. The overarching dominance of multinational enterprises often overshadows the development of local small and medium-sized enterprises (SMEs), creating a dual economy where sophisticated foreign tech giants operate alongside relatively nascent, resource-constrained domestic firms (VietnamPlus, 2025). To mitigate this disparity and ensure sustainable, long-term prosperity, the provincial government has aligned with national directives, notably Resolution 68-NQ/TW and Resolution 57-NQ/TW, to actively promote the private sector and domestic innovation (VietnamPlus, 2025).

Within this strategic macroeconomic framework, the youth of Bac Ninh represent the most critical demographic for cultivating a new generation of business leaders capable of leveraging digital transformation, high-tech manufacturing, and sustainable agricultural practices (Vietnam News, 2025). Despite the evident enthusiasm and the proliferation of entrepreneurial intentions among Vietnamese youth, the translation of these intentions into viable, scalable, and resilient enterprises remains constrained by a multitude of systemic barriers (Nguyen et al., 2019). Empirical

observations and recent reports indicate that young entrepreneurs frequently encounter formidable obstacles related to capital acquisition, advanced business management skills, and navigating complex regulatory environments. While traditional state support mechanisms exist, they often suffer from fragmentation, stringent collateral requirements, and a misalignment with the specific, dynamic needs of modern, innovation-driven startups. For instance, despite high interest in incubator programs, urban-rural disparities and uneven distribution of resources leave many young entrepreneurs underserved (UNDP, 2025).

The primary objective of this research is to comprehensively analyze the current state of youth entrepreneurship support mechanisms in Bac Ninh province. By systematically evaluating the efficacy of support pillars—namely tax incentives, land and infrastructure access, financial capital, capacity-building training, legal consultation, and market output facilitation—the study seeks to identify the critical gaps in the existing entrepreneurial ecosystem. Furthermore, the research deeply investigates the intrinsic and extrinsic factors influencing the entrepreneurial capabilities of local youth, including their specific competencies, risk tolerance profiles, and adaptability to market fluctuations.

The specific research questions guiding this study are threefold. First, what is the current empirical reality of institutional support provided to youth startups in Bac Ninh across various resource dimensions? Second, what are the primary systemic and individual-level barriers that impede the success and scalability of these youth-led enterprises? Third, what precise, evidence-based policy interventions can be formulated for both local and central governments to optimize the entrepreneurial ecosystem? Through this rigorous empirical assessment, the study aims to propose nuanced policy implications designed to overhaul the support infrastructure, thereby empowering the youth of Bac Ninh to establish resilient enterprises that contribute meaningfully to the regional and national economy, moving beyond mere survival to achieve sustainable innovation.

2. Literature Review

The theoretical foundation of youth entrepreneurship and the corresponding institutional support mechanisms is highly multifaceted, drawing upon classical economic theories, behavioral psychology, human capital paradigms, and modern ecosystem frameworks. To systematically evaluate the support structures currently deployed in Bac Ninh, it is imperative to deeply delineate the core concepts of entrepreneurship, the specific dimensions of institutional support, and the myriad internal and external factors that influence entrepreneurial success.

2.1 *The Conceptual Evolution of Entrepreneurship*

The concept of entrepreneurship has evolved significantly over centuries of economic thought. Early theorists, such as Cantillon (1755/1931), defined entrepreneurship fundamentally as the act of self-employment and business ownership under any organizational form. By the mid-twentieth century, the definition expanded to encompass the purposeful initiation and maintenance of profit-oriented organizations, as articulated by Cole (1949). Subsequent scholars introduced the critical elements of opportunity recognition and innovation. Penrose (2009) and Stevenson and Jarillo (2007) characterized entrepreneurship as the dynamic process by which individuals identify and relentlessly pursue economic opportunities within the market landscape. Drucker and Maciariello (2014) further refined this by emphasizing three foundational pillars:

continuous innovation, the assumption of calculated risk, and proactive behavior.

In the contemporary academic context, particularly concerning innovative startups, an entrepreneur is understood not merely as a traditional business owner or a self-employed merchant, but as a visionary individual who commercializes creativity, accepts high levels of risk, and introduces unprecedented value-added products, services, or business models to the market. This distinction separates true innovative startups from traditional micro-enterprises. The Global Entrepreneurship Monitor (GEM) structures this entrepreneurial journey into a continuum progressing from ideation and opportunity recognition, to enterprise formation, and ultimately to enterprise maintenance, scaling, and growth. In Vietnam, youth are legally defined under the Youth Law as citizens between the ages of 16 and 30. This demographic is characterized by peak physical vitality, intellectual dynamism, a high propensity for risk-taking, and a natural affinity for technological adoption. Supporting youth entrepreneurship, therefore, involves targeted state and institutional interventions designed specifically to mitigate the inherent disadvantages associated with youth—namely a lack of accumulated financial capital, limited managerial experience, and nascent professional networks—while simultaneously amplifying their natural propensity for innovation and disruptive thinking.

2.2 Dimensions of Youth Entrepreneurship Support

The conceptual framework for entrepreneurial support, as established in contemporary economic management literature, encompasses six interrelated dimensions that collectively form the bedrock of a functional startup ecosystem:

First, tax, land, and infrastructure support constitute the physical and fiscal foundation of enterprise formation. Tax policies, including deferrals, rate reductions, and absolute exemptions, directly alleviate the financial burden on nascent firms, significantly improving cash flow during the critical, revenue-scarce early stages. Land and infrastructure support involves state facilitation of access to commercial real estate, spaces in industrial parks, and essential utilities. In land-scarce and rapidly industrializing regions, state-subsidized leasing arrangements and the provision of ready-built infrastructure are vital for lowering the astronomical barriers to market entry.

Second, financial and capital support is universally recognized as the most critical determinant of startup viability and scalability. The theoretical consensus highlights that the vast majority of young entrepreneurs lack personal capital reserves and must rely on external mobilization. While family and friends often provide initial seed funding, sustained growth requires access to formal credit markets, venture capital, angel investors, and state-sponsored employment or startup funds. Effective financial support mechanisms must address the structural market failures—specifically information asymmetry and credit rationing—that prevent youth, who typically lack tangible collateral, from accessing commercial bank loans. This necessitates the creation of state guarantee funds, subsidized credit lines, and specialized venture mechanisms.

Third, training and capacity-building support are firmly anchored in Human Capital Theory, pioneered by Schultz (1959) and Becker (1964), which posits that education and skill acquisition directly enhance an individual's cognitive capabilities and overall economic productivity. Entrepreneurial training encompasses the impartation

of both theoretical knowledge (e.g., market analysis, financial planning, regulatory frameworks) and practical, behavioral skills (e.g., negotiation, leadership, crisis decision-making). Empirical studies consistently demonstrate that a lack of these foundational competencies is a primary driver of premature business failure among youth.

Fourth, legal consultation support addresses the profound complexities of the regulatory environment. Young entrepreneurs must navigate a labyrinth of corporate, tax, labor, and intellectual property laws. Institutional legal support aims to cultivate legal awareness, ensure strict compliance, and protect the nascent enterprise from regulatory punitive actions, fines, and debilitating contractual disputes, thereby providing a stable, risk-mitigated foundation for long-term growth.

Fifth, output consumption and market access support focus directly on the commercialization and revenue-generation phase. This dimension includes the provision of macroeconomic and sector-specific market information, trade promotion activities (such as subsidized participation in domestic and international trade fairs), and strategic assistance in integrating startups into broader, established supply chains. Furthermore, intellectual property (IP) protection is a crucial, intersecting component of market support. Ensuring that innovative startups can secure exclusive rights to their technological creations or brand identities is essential for attracting venture investment, maintaining competitive advantage, and deterring unfair competition from established incumbents.

2.3 Influencing Factors on Entrepreneurial Outcomes

The efficacy of these institutional support mechanisms is heavily moderated by a complex interplay of internal psychological factors and external environmental conditions. At the individual level, theories of entrepreneurial intention, such as the Theory of Planned Behavior (TPB), highlight the paramount importance of personal attitudes toward entrepreneurship, perceived behavioral control, and subjective norms (Nguyen et al., 2019). Furthermore, McClelland (1961) emphasized the "need for achievement" as a driving psychological force. An individual must possess both the intrinsic desire to start a business and the self-efficacy to believe it is feasible.

Externally, the quality of the local human resource pool fundamentally determines the availability of skilled labor that the startup can recruit. Furthermore, the broader socio-economic and natural conditions of the locality, the availability of state budgets allocated for support programs, the cultural acceptance of entrepreneurial risk and failure within the community, and the proactive, supportive stance of local government authorities collectively shape the overall fertility of the entrepreneurial ecosystem. If local authorities merely pay lip service to entrepreneurship without enacting substantive policy changes or reducing bureaucratic friction, the ecosystem will fail to thrive regardless of the youth's intrinsic motivation.

3. Methodology

To rigorously investigate the dynamics of youth entrepreneurship support in Bac Ninh province, this research employs a comprehensive, mixed-methods approach. By integrating the analysis of secondary macroeconomic data with primary empirical data collected directly from active youth-led enterprises, the study ensures a holistic, multidimensional understanding of both the structural policy environment and the ground-level operational realities experienced by young founders.

3.1 Geographic and Socio-Economic Scope of the Study

The study is geographically constrained to Bac Ninh province, a highly strategic economic node situated in the Red River Delta and the Northern Key Economic Region of Vietnam (KPMG, 2024). Bac Ninh serves as an optimal and fascinating locus for this research due to its extraordinary economic trajectory over the past two decades. Characterized by a dense concentration of highly developed industrial parks, such as VSIP, Yen Phong, and Que Vo, the province is the undisputed epicenter of Vietnam's electronics, semiconductor, and precision engineering manufacturing (Vietnam News, 2025).

The local economy has experienced rapid, unprecedented transformation, moving away from traditional agrarian structures and handicraft villages toward a highly integrated, globally connected industrial economy (AHK, 2025). This distinct socio-economic environment—marked by intense FDI presence, rapid technological advancement, high per-capita income relative to the national average, and a massive demand for skilled technical labor—provides a unique analytical backdrop. It allows researchers to examine how domestic youth startups operate, survive, and attempt to scale within the overwhelming shadow of multinational giants (KPMG, 2024).

3.2 Data Collection Procedures

The research utilizes a bifurcated data collection strategy, leveraging both secondary archival sources and primary survey instruments to construct a robust analytical framework.

Secondary Data Collection: Comprehensive secondary data was systematically gathered from official publications, statutory documents, and statistical reports generated by authoritative bodies at both the national and provincial levels. Key institutional sources include the General Statistics Office of Vietnam (GSO), the Bac Ninh Provincial People's Committee, the Department of Planning and Investment, the Department of Science and Technology, the Bac Ninh Provincial Youth Union, and international organizations such as the UNDP (Youth Co:Lab reports) (General Statistics Office, 2026). The secondary data review encompasses legislative frameworks (e.g., Resolution 68-NQ/TW, Decree 20/2026/ND-CP), provincial strategic plans (e.g., Plan No. 151/KH-UBND for the 2025-2030 period), macroeconomic indicators, enterprise registration statistics, and specific budgetary allocations for youth support funds spanning the 2024–2026 period (VietnamPlus, 2025). This archival research establishes the macro-level context regarding the supply side of support mechanisms.

Primary Data Collection: Primary data was obtained through a structured survey targeting young entrepreneurs operating actively within Bac Ninh province. The survey instrument was meticulously designed, adapting validated constructs from established entrepreneurship literature and localized institutional frameworks utilized in previous Vietnamese economic management studies. The questionnaire comprises two primary sections. The first section captures demographic and operational data (e.g., age, gender, educational attainment, sector of operation, enterprise longevity). The second section employs a 5-point Likert scale to quantify the respondents' perceptions regarding the efficacy of state support mechanisms, their self-assessed entrepreneurial competencies (knowledge, skills), and their intrinsic entrepreneurial mindset (attitudes, risk tolerance). Purposive sampling was utilized to ensure adequate representation across diverse economic sectors, specifically isolating respondents operating in agriculture, industry/handicrafts (CN-TTCN), and

commercial services (TM-DV). In-depth, semi-structured interviews were also conducted with a subset of provincial policymakers and financial institution representatives to gather qualitative context regarding policy implementation hurdles.

3.3 Data Processing and Analytical Framework

The collected data was subjected to rigorous processing utilizing statistical software to ensure accuracy and reliability. The analytical framework employs several distinct methodologies to extract meaningful, actionable insights.

Descriptive statistics were generated to summarize the central tendencies and dispersions of the survey responses, providing a quantitative baseline of the youth entrepreneurial experience.

Furthermore, the data was subjected to data stratification (phân tổ thống kê) and comparative analysis. By stratifying the dataset based on critical variables—such as the specific sector of operation (agriculture vs. technology vs. services) and the educational background of the founder—the analysis uncovers nuanced variances in how different cohorts access and perceive support mechanisms. Comparative methodologies were also applied to juxtapose longitudinal secondary data, tracking the evolution of enterprise registration rates, fund disbursement volumes, and policy shifts over time. The synthesis of these quantitative outputs with qualitative policy analysis enables a profound examination of the causal relationships between institutional interventions and actual entrepreneurial outcomes in Bac Ninh.

4. Results

The empirical findings delineate a highly complex and evolving ecosystem in Bac Ninh, characterized by ambitious provincial policy frameworks juxtaposed against persistent operational hurdles for youth enterprises. The results are synthesized across the macro-level entrepreneurial landscape, the specific deployment of the six support mechanisms, and the intrinsic capabilities of the youth cohort.

4.1 Overview of the Youth Entrepreneurial Landscape in Bac Ninh

Bac Ninh has cultivated an intensely dynamic environment for new business formation. Driven by the province's deep integration into global supply chains and proactive administrative reforms, the rate of enterprise creation has surged. Recent data indicates that in the first nine months of 2025 alone, Bac Ninh recorded 5,448 new enterprises, representing a massive 25% year-on-year increase, with total registered capital approaching 94.6 trillion VND (VietnamPlus, 2025). The private sector has demonstrably expanded its contribution to the Gross Regional Domestic Product (GRDP), budget revenue, and local employment generation (VietnamPlus, 2025).

Within this demographic of newly minted enterprises, youth-led initiatives represent a critical subset, increasingly pivoting toward high-value sectors. While traditional agriculture and basic retail persist, there is a pronounced and encouraging shift toward electronics, precision engineering, logistics, e-commerce, and high-tech, organic agriculture (Vietnam News, 2025). This sectoral transition reflects the youth's strategic attempt to integrate into the ancillary supply chains of the dominant FDI corporations situated in the province, moving away from low-margin traditional trades toward scalable tech-enabled services (VietnamPlus, 2025).

4.2 Efficacy of Support Mechanisms

The deployment of state and provincial support mechanisms across the defined pillars reveals a concerted effort to foster an innovation-driven ecosystem, though the penetration and accessibility of these supports remain highly uneven.

4.2.1 Tax, Land, and Infrastructure Support

The regulatory environment regarding taxation has seen significant overhauls aimed at alleviating the initial financial burdens on startups. Nationally, the promulgation of Decree No. 20/2026/ND-CP provides robust, unprecedented fiscal incentives. Under this decree, newly established SMEs receive a comprehensive corporate income tax exemption for their first three years of continuous operation (Vietnam Investment Review, 2026). Furthermore, entities officially classified as innovative startups or startup support organizations benefit from a two-year absolute tax exemption followed by a 50% reduction in tax liabilities for the subsequent four years (Vietnam Investment Review, 2026). Bac Ninh authorities have actively implemented these directives, utilizing tax policy as a primary lever to accelerate private sector growth amidst capital constraints (Vietnam Investment Review, 2026).

Regarding land and infrastructure, Bac Ninh's strategy heavily relies on its sophisticated industrial parks. The provincial government has initiated plans to develop concentrated IT parks and specialized zones to house tech-driven startups, aiming for 25 incubators/innovation centers by 2045 under Plan No. 151/KH-UBND (Vietnam News, 2025). However, primary data indicates that securing land use rights and navigating the bureaucratic complexities of facility leasing remain formidable challenges for young entrepreneurs (Vanzbon, 2025). The intense competition for prime industrial real estate, driven by well-capitalized foreign entities, inevitably inflates land values, creating a substantial, sometimes insurmountable barrier to entry for domestic youth ventures (KPMG, 2024).

4.2.2 Financial and Capital Support

Access to capital remains the most critical pivot point for entrepreneurial success. Recognizing the severe limitations youth face in traditional commercial banking—where lack of collateral and credit history result in systemic exclusion—Bac Ninh has pioneered highly targeted financial interventions (UNDP, 2025). Notably, the Bac Ninh Provincial Youth Union established an unprecedented support fund entrusted through the Social Policy Bank, totaling 90 billion VND (Happy Vietnam, 2024). This fund offers preferential loans at a significantly reduced interest rate of 5% per annum, representing a vital lifeline for early-stage ventures (Happy Vietnam, 2024).

The disbursement of these funds has yielded tangible, measurable impacts. The provincial Youth Union recently facilitated the disbursement of 19.85 billion VND across 39 specific youth startup projects, directly addressing the acute need for seed and expansion capital (Báo Tin tức, 2025). Furthermore, a dedicated Youth Innovation Startup Fund valued at 5 billion VND was launched to specifically target high-tech and innovative models (Báo Tin tức, 2025). Successful case studies abound, such as HT-CNC (a precision mechanics firm founded by a local youth, utilizing a 1.5 billion VND youth loan to reach 20 billion VND in annual revenue) and agricultural models utilizing high-tech organic farming (Happy Vietnam, 2024).

Despite these highly commendable initiatives, the macro-level demand vastly outstrips the subsidized supply. Broad ecosystem

analyses indicate that over 51.4% of young entrepreneurs nationwide continue to report profound difficulties in accessing necessary finance, forcing a heavy reliance on personal savings and familial support, which inherently restricts the rapid scalability of their ventures (UNDP, 2025).

Table 1: Key Financial Support Indicators for Youth Startups in Bac Ninh

Financial Support Indicator	Volume/Value
Total Entrusted Youth Startup Fund (Bac Ninh)	90 Billion VND
Preferential Interest Rate	5% per annum
Specific Cohort Disbursement Volume	19.85 Billion VND
Number of Projects Supported in Cohort	39 Projects
Dedicated Innovation Startup Fund	5 Billion VND
Youth Entrepreneurs Facing Finance Difficulties	51.4%

Source: Compiled by the author

4.2.3 Training and Capacity Building

Human capital development is a cornerstone of Bac Ninh's strategy, moving beyond basic vocational skills toward digital transformation and corporate governance. The province has executed numerous capacity-building programs, often in collaboration with national entities like the Ministry of Science and Technology and local enterprise clubs (Bac Ninh Online, 2025). Training modules increasingly focus on advanced paradigms, including artificial intelligence application, green economy principles, digital management systems (ERP, MES), and e-commerce (Vietnam News, 2025). National initiatives, such as SV.STARTUP, have engaged over 480,000 young people, generating 42,000 projects, indicating massive top-of-funnel engagement (Bac Ninh Online, 2025).

Despite the proliferation of training workshops, empirical evidence points to a lingering misalignment between academic curricula and the practical competencies demanded by the market (Devetag et al., 2020). Surveys assessing entrepreneurial knowledge reveal that while youth possess a strong grasp of general business concepts, there is a pronounced deficit in specialized areas such as rigorous financial analysis, strategic market forecasting, and comprehensive legal compliance. This gap underscores the limitations of short-term seminars and highlights the necessity for deeply integrated, experiential learning frameworks within formal education systems (Devetag et al., 2020).

4.2.4 Legal Consultation and Output Consumption

The complexity of the Vietnamese regulatory framework, ranked 49th globally in business complexity, poses a steep learning curve for young founders (Vanzbon, 2025). Bac Ninh has attempted to mitigate this through public-private dialogues and the establishment of centers for innovation and entrepreneurship aimed at disseminating legal and regulatory knowledge (VietNamNet, 2024).

In terms of output consumption, the province actively integrates youth startups into the digital economy. Initiatives such as the deployment of the "Bac Ninh Market" (Chợ Bắc Ninh) e-commerce application and the establishment of dedicated youth

product pavilions on digital trading floors represent direct interventions to solve market-access bottlenecks (Báo Tin tức, 2025). Furthermore, under Plan No. 151/KH-UBND, Bac Ninh aims to foster intellectual property development, setting strategic targets to support the registration of at least 20 new patents and utility solutions annually, thereby enhancing the commercial defensibility of local innovations (Thương hiệu và Công luận, 2025). Bac Ninh's efforts were recently recognized nationally, being honored as one of the top 10 localities in developing innovative startup ecosystems at TechFest Vietnam 2025 (Bac Ninh TV, 2025).

4.3 Assessment of Youth Entrepreneurial Mindset and

Table 2: Self-Assessed Proficiency Levels in Core Business Knowledge

Knowledge Domain Assessment	High Proficiency (%)	Moderate Proficiency (%)	Low Proficiency (%)
Supply/Demand & Consumer Behavior	10.59	30.59	58.82
Financial Analysis & Investment Evaluation	3.53	32.94	63.53
Marketing (4Ps, Branding, Promotion)	5.88	24.71	69.41
Legal Regulations & Compliance Policies	20.00	24.71	55.29

Source: Calculated and compiled by the author.

Entrepreneurial Skills: Young entrepreneurs in Bac Ninh exhibit relatively stronger interpersonal and operational skills compared to their theoretical knowledge. Communication and basic team

organization are strong, whereas strategic forecasting remains weak.

Table 3: Self-Assessed Proficiency Levels in Core Entrepreneurial Skills

Skill Domain Assessment	High Proficiency (%)	Moderate Proficiency (%)	Low Proficiency (%)
Customer Communication & Handling	52.94	40.00	7.06
Negotiation & Partner Contracting	49.41	43.53	7.06
Business Environment Forecasting	35.29	47.06	17.65
Financial Project Evaluation	17.65	34.12	48.23

Source: Calculated and compiled by the author.

Entrepreneurial Mindset: Young entrepreneurs exhibit exceptionally high levels of motivation, driven by a desire for success, autonomy, and the ambition to elevate their socio-economic standing (Nguyen et al., 2019). This intrinsic drive is reflected in high scores for resilience and the willingness to accept calculated risks. However, this enthusiasm is counterbalanced by

lower scores in "Perceived Behavioral Control" (Nguyen et al., 2019). This indicates that while the youth strongly desire to succeed, they often feel they lack the requisite resources, advanced managerial skills, or institutional backing to effectively control the outcomes of their ventures.

Table 4: Self-Assessed Agreement Levels in Entrepreneurial Mindset and Attitudes

Mindset & Attitude Domain	Strong Agreement (%)	Neutral (%)	Weak Agreement (%)
Clear Definition of Business Goals	54.12	31.76	14.12
Passion & Desire for Entrepreneurship	49.41	36.47	14.12
Willingness to Face Risk (Resilience)	43.53	41.18	15.29
Ability to Innovate/Invent New Products	20.00	35.29	44.71

Source: Calculated and compiled by the author.

The data suggests a sectoral divergence in competencies. Youth operating in the industrial and high-tech services (CN-TTCN & TM-DV) sectors demonstrate a slightly higher propensity for adopting digital tools and innovative business models compared to

their counterparts in traditional agriculture, although the latter group is beginning to embrace high-tech methodologies rapidly. The low score in true innovation (20%) highlights a systemic issue: many youth startups are merely replicating existing business

models (e.g., opening a standard café or basic retail shop) rather than introducing disruptive technologies or novel solutions.

5. Discussion & Policy Implications

The empirical results portray Bac Ninh as a province at the vanguard of Vietnam's economic transformation, yet one that vividly embodies the profound tensions inherent in transitioning from an FDI-dependent manufacturing hub to an indigenous, innovation-driven ecosystem. The discussion elucidates the structural paradoxes within this environment and outlines comprehensive, actionable policy implications necessary to catalyze sustainable youth entrepreneurship.

5.1 Discussion of Findings and Structural Challenges

The foremost structural challenge identified in this research is the "FDI Paradox" characterizing Bac Ninh's economy. The province's phenomenal and historic success in attracting global technology conglomerates has undeniably elevated the aggregate regional wealth, infrastructural quality, and export statistics (AHK, 2025). However, this macroeconomic success generates immense inflationary pressures on local factor markets, particularly commercial real estate and skilled labor. Young domestic entrepreneurs find themselves in direct, uneven competition with multinational corporations for prime industrial land. The rising cost of labor, coupled with the extreme difficulty of recruiting top-tier engineering or managerial graduates—who are naturally drawn to the lucrative salaries, prestige, and stability of foreign firms—creates a hostile cost-structure for nascent, boot-strapped youth startups (KPMG, 2024). Consequently, while the macroeconomic environment appears highly robust, the microeconomic reality for a local youth enterprise is fraught with hyper-competition for fundamental operational resources.

Secondly, the analysis of financial support mechanisms reveals the classic phenomenon of the "missing middle" in startup financing. While the provincial government and the Youth Union have executed highly commendable initiatives—such as the 90 billion VND preferential loan fund (Happy Vietnam, 2024)—the scale of these interventions, though large for a provincial youth union, is ultimately insufficient to serve the entirety of the youth demographic aiming for high-growth trajectories. These state-backed funds effectively function as micro-finance or early-stage seed capital. However, as these startups survive the initial "valley of death" and require substantial growth capital (equivalent to Series A or B venture funding) to scale their operations and acquire advanced machinery, they hit a debilitating financial vacuum. They are too large for state-subsidized micro-loans but simultaneously lack the tangible collateral, audited multi-year financial histories, and rigorous governance structures demanded by commercial banks or international venture capitalists (UNDP, 2025). The forced reliance on personal or familial capital inherently caps the growth trajectory of these enterprises, preventing them from achieving the necessary economies of scale to integrate into global supply chains (UNDP, 2025).

Thirdly, a persistent gap exists in the realm of advanced entrepreneurial education and institutional coordination. Despite the rapid proliferation of training workshops and the high intrinsic motivation of the youth, there remains a critical deficit in profound, experiential entrepreneurial competencies (Nguyen et al., 2019). The educational infrastructure often prioritizes theoretical business administration over the agile, practical skills required to navigate the chaotic, high-risk environment of a startup (Devetag et al., 2020). As the data shows, skills in rigorous financial forecasting

and legal compliance are dangerously low. Furthermore, the entrepreneurial ecosystem suffers from institutional fragmentation. Various departments—Science and Technology, Planning and Investment, the Youth Union—offer disparate support programs, leading to overlapping efforts, bureaucratic redundancy, and a lack of a unified, easily navigable pathway for young founders (UNDP, 2025).

5.2 Policy Implications

To effectively address these systemic challenges and fully actualize the immense potential of youth entrepreneurship as envisioned in Resolution 68-NQ/TW and Bac Ninh's Plan No. 151/KH-UBND, a paradigm shift in policy formulation and execution is required across both provincial and national levels.

Implications for the Provincial Government of Bac Ninh

Establishment of Specialized Domestic Incubation Zones: To directly counteract the real estate pressures driven by massive FDI, the provincial government must carve out dedicated, heavily subsidized physical spaces within or adjacent to major industrial parks strictly reserved for domestic youth startups. These incubation zones should offer discounted long-term leases, shared state-of-the-art manufacturing infrastructure, and subsidized utility rates. Crucially, this physical proximity to FDI giants should be strategically leveraged to foster mentorship programs, joint ventures, and B2B networking, intentionally integrating local startups into the ancillary supply chains of foreign corporations (e.g., providing specialized packaging, precision mechanics, or localized software solutions to firms like Samsung).

Expansion and Diversification of Financial Instruments: The existing 90 billion VND fund must be scaled and diversified. Bac Ninh should pioneer a provincial Credit Guarantee Fund tailored specifically for youth enterprises, acting as the guarantor for commercial bank loans, thereby systematically removing the insurmountable collateral barrier. Furthermore, the province should establish regulatory sandboxes and co-investment frameworks to actively attract domestic and regional angel investors and venture capital funds, effectively bridging the "missing middle" funding gap.

Creation of a Unified Ecosystem Command Center: To eliminate bureaucratic fragmentation and lower the barriers to formalization, Bac Ninh should establish a centralized "Innovation and Entrepreneurship Hub." This entity would serve as a single-window portal for all startup needs, consolidating business registration, tax exemption processing under Decree 20/2026/ND-CP, legal consultation, and IP registration support. This hub must streamline the historically complex administrative procedures that currently act as a deterrent to rapid market entry (Vanzbon, 2025).

Implications for the Central Government and Educational Institutions

Deepening Curriculum Reform in Higher Education: The Ministry of Education and Training, in close collaboration with provincial authorities, must mandate the integration of highly practical, modern entrepreneurial competencies into the core curricula of tertiary and vocational institutions (Bac Ninh Online, 2025). This pedagogical shift must move aggressively beyond theoretical lectures toward experiential learning models, including mandatory startup practicums, risk-management simulations, and the establishment of robust, university-based accelerators that provide students with safe environments to iterate, fail, and pivot (Bac Ninh Online, 2025).

Refining Macroeconomic Incentives and FDI Linkages: The central government must ensure the rigorous, unhindered application of Decree 20/2026/ND-CP across all jurisdictions, ensuring that the 3-year tax exemptions for new SMEs are accessible without excessive bureaucratic friction or arbitrary exclusions (Vietnam Investment Review, 2026). Additionally, national policy should explore mechanisms to incentivize large FDI corporations—through targeted tax credits or preferential customs treatment—to source a mandated or heavily encouraged percentage of their intermediate goods and services from verified domestic youth startups. This would create a captive initial market that guarantees revenue streams and facilitates critical technology transfer, solving the ultimate challenge of output consumption.

6. Conclusion

The cultivation and systemic support of youth entrepreneurship is an indispensable component of Vietnam's overarching macroeconomic strategy to escape the middle-income trap and transition toward a sustainable, high-value, and technologically autonomous economy. Bac Ninh province stands exactly at the critical intersection of this national transition, possessing both the extraordinary technological infrastructure bequeathed by immense foreign direct investment and the acute vulnerabilities characteristic of an under-developed domestic private sector. This comprehensive research underscores that while the youth of Bac Ninh exhibit formidable ambition, resilience, and a growing appetite for innovation, and while the provincial government has initiated highly commendable financial and policy interventions—such as the 90 billion VND credit fund and aggressive tax exemptions—substantial systemic frictions continue to impede the realization of a fully mature, self-sustaining entrepreneurial ecosystem.

The structural impediments identified—ranging from severe capital access limitations during the scaling phase and advanced competency deficits in financial and legal management, to the hyper-competitive pressures exerted by multinational corporations on local factor markets—require sophisticated, integrated policy responses. Isolated interventions will no longer suffice. By pivoting from fragmented, superficial support toward deep structural reforms—specifically including the expansion of provincial credit guarantee mechanisms, the establishment of highly subsidized domestic incubation zones, sweeping educational curriculum reforms, and the aggressive, legislated integration of local youth startups into global value chains—Bac Ninh can effectively harness its unique demographic dividend. Empowering youth entrepreneurship through these targeted, systemic enhancements will not only secure the long-term economic vitality and resilience of the province but also serve as a powerful, replicable blueprint for endogenous, innovation-led growth across the entire nation of Vietnam.

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