SUSTAINABLE SOCIAL ENTREPRENEURSHIP IN VIETNAM

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ABSTRACT

This article delivers a full understanding of the concepts of social enterprise, social entrepreneurship and their sustainability issues. Despite different nature, determinant factors, motivation and purpose, as well as orientation towards sustainable development of commercial and social entrepreneurship the results of analysis show that both form of entrepreneurship could to stay together to successfully bridge social capital leading to the development of both forms of entrepreneurial activities. Using extensive conceptual analysis in parallel with carried out research on entrepreneurship in the largest megacities and countryside areas in Vietnam, the article revealed predominant kind of entrepreneurship in each of the two zones and proposed solutions to connect and enhance social and commercial entrepreneurship in the countryside, promoting synergy effect and expansion.

Keywords: Social Entrepreneurship, Social Responsibility, Social Enterprise, Social Capital, Vietnam.

INTRODUCTION

Social responsibility is a field of research which investigates the processes and solutions that guarantee a strategic balance between the economic growth and social development at both macro level and micro level (Zdravkovic & Radukic, 2012; Placier 2013; Rajnoha & Lesníková, 2016; Czubala, 2016). Corporate social responsibility is a field of research aiming at defining what the essence of a socially responsible business is and what business has to do to become socially responsible (Nguyen Hoang Tien, 2015). Generally, it is a continuous commitment of the enterprise towards sustainability issues that is to contribute to the economic development while enhancing quality of life of people, community, the whole society and environment at large (Rajnoha & Lesníková, 2016).

World Commission on Environment and Development defines sustainability as the development that meets present needs without compromising the ability of future generations to meet their own needs (WCED, 1987). Alike the century-old concept of social responsibility, the newer concept of sustainability has been profoundly analyzed in many academic studies at both macroscopic level and microscopic level. The idea of sustainable development is very popular today as it sets common trends for all the spheres of business activities, in all fields of contemporary research and development, both academic and practical. At the microscopic level, corporate sustainability is viewed as new management paradigm that recognizes corporate growth and profitability, but at the same time requires corporations to pursue non-profitable activities,
social goals, specifically those relating to the issues of sustainability, such as: environmental and Earth planet protection, ecological integrity, social justice and equity, society and community’s development (Dudzevičiūtė, 2012). Social enterprise, social entrepreneurship, social capital, sustainable development concepts and sustainability issues presented in details and investigated further in this paper are the main subjects of our interest, analysis, theoretical consideration and practical implication in a hope to contribute to extend significantly the frontier of contemporary management knowledge.

LITERATURE OVERVIEW

Corporate Sustainable Development Issues

In recent years there have been significant discussions and debates in both the business and academic world about corporate sustainability. This term is strictly related and in some cases is used as a synonym for the older concept of corporate social responsibility (Wilson, 2003). Corporate sustainability can be viewed as a new management paradigm that recognizes that corporate growth and profitability are important; it also requires the corporation to pursue social goals, specifically those relating to sustainability issues, such as: the Earth planet protection, environmental security, social justice and equity, and local community development (Dudzevičiūtė, 2012). Corporate sustainability consists in carrying out actions that improve the economic growth and long-term profitability of an organization. Furthermore, the sustainable enterprise, in contrast to traditional company, as the most important constituent of business and society, should bear responsibilities towards the society and environment that go beyond their economic obligations (Hart, 1995). Corporate sustainable development is a kind of business strategy that attempts to meet the needs of stakeholders without compromising resources and interests of the local community (Dyllick, Hockerts, 2002). On the push side, society expects managerial and entrepreneurial behaviors to comply with ethical standards and orient towards common benefit and interest of the society (Drucker 1998). On the pull side, in order to maintain full prestige and reputation of the company, managers and entrepreneurs should make business decisions responsibly, be hold accountable for them, considering public opinion and stakeholders’ interest (Man & Macris, 2015). Finally, corporate sustainability borrows elements from three following mutually related concepts (Figure 1): Sustainable development (the macroscopic view), corporate social responsibility (CSR), stakeholders’ theory (Moon, 2007; Ding, 2008; Enticott & Walker, 2008; Gao, 2009; Baumgartner & Ebner, 2010).

FIGURE 1
CORPORATE SUSTAINABILITY (CORPORATE SUSTAINABLE DEVELOPMENT)

The concept and issues of sustainability are subjects of change over time. In XX century, society expected high level of sound and sustainable economic performance and the only goal of business is to seek maximum profit in accordance with the law. Currently, society expects better life quality, keeping environment green and safe, internalizing all expenses related with external effects caused by enterprise in longer perspectives (Lewicka, 1999). Enterprise should respond accordingly to and fulfill impartially expectations of different stakeholders, treating at the same time social rights and interests just as their own ones. The role of managers and entrepreneurs leading the sustainable development of enterprise is to reconcile and consider compromises at many levels, to find a strategic equilibrium between contradicting rights and interests of diverse stakeholders (Griffin, 1996). This is hard task to carry out due to the fact that social expectations are mutually contradictory and they are not always feasible and ethically reasonable (Klimczak, 2002). Managers and entrepreneurs should find out sustainable solutions to manage potential conflicts and disputes in order to keep the balance between the interests of stakeholders to guarantee the stability and smoothness of enterprise’s operation.

Social Enterprise and Social Entrepreneurship

In the spirit of sustainable development and sustainability issues, all activities of the enterprise are directed towards social responsibility, environmental security and business sustainability within the framework of a broad social strategic alliance. The measure of success of enterprises is not the satisfaction of certain distinctive group but rather the satisfaction of all stakeholders in the society. Success based on short-term quantitative indicators such as revenue, profit, market share, share value is totally irrelevant. Instead, success should be based on qualitative indicators such as social and environmental contribution, sharing common values that are firmly approved, promoted and glorified by the community and society. That implies that sustainable enterprises should also become social enterprises which treat social objectives over market goals, which are socially responsible regarding employment of vulnerable groups and reinvestment of profits into social projects, significantly promoting and facilitating the idea of inclusive development (Bilan et al., 2017). Social enterprises are seen as change-makers and significant means through which labor market integration, social inclusion and economic development can be achieved. Social enterprises are characterized by positive working environment with cooperative approach and high level of amenability to changes. However, the poor access to funding and the need of self-financing is the major challenge for them to become sustainable and grow (Sdrafi et al., 2016). Thus, social enterprises often depend on institutional partnerships for help (i.e. public private partnership), state-supported embedded ties and collaboration with key public actors to build and maintain their ventures (Vanneo & Grande, 2018). However, those social enterprises with profound social embedment in smaller peripheral localities may gain trust and credibility of local community, mobilize critical resources and take over local government to become change agents for the community development (Von Friedrichs and Wahlberg, 2016).

Social enterprises, in order to remain sustainable, should become entrepreneurial. Social entrepreneurship is emerging as a viable alternative to the traditional institutional setups for making a sustainable impact and reaching towards the underserved needs of the low-income population living mostly in far-off regions of the developing economies (Goyal & Sergi, 2015). Social entrepreneurship is associated with the ability to discover new opportunities for self-
realization and creation of economic and social value for all stakeholders within the society as the entrepreneurship is a qualitative social feature that includes human abilities to creatively build and develop innovations into the business and society (Raudeliūniénė et al., 2014). Social entrepreneurship is a relatively new subject of research and, despite the growing interest it generates over more than 20 years, there is a diversity of its definitions and approaches (Gabarret et al., 2017; Kee, 2017). Social entrepreneurship is seen frequently as a socialized and community phenomenon. Social entrepreneurs are often prone to identify and accept their proactive role in the local community, to feel a sense of attachment and belonging to this place where they one used to be with and now want to be members of (Anderson and Gadde, 2016). Social entrepreneurship is expressed by conscious willingness and readiness to help the local society, to be focused on social and environmental implications of business decisions, operations and activities (Le Loarne-Lemaire et al., 2017). Practically understanding, social entrepreneurship is an engine of local development as it has been a strategic driver in facilitating the adjustment to multidimensional change and supporting competitiveness of the local region (Leitao et al., 2011). Indigenous people in far-off regions throughout the world suffer from many disadvantages such as: chronic poverty, lower education levels and poor health due to local socio-economic underdevelopment. Great efforts contributing to the rebuilding of local environment and to the improvement of indigenous community are done mostly through social enterprises and entrepreneurship rather than government initiatives (Peredo et al., 2004). In a globalizing world, the importance of geographic proximity and regional agglomerations as well as the role of small and micro businesses and their entrepreneurial activity are increasingly growing. Social enterprises and social entrepreneurship initiated and developed in smaller peripheral localities can take over local government and become a change agent for the community development (Von Friedrichs & Wahlberg, 2016). Social entrepreneurship is determined by various factors, among them most frequently are: cultural, institutional and economic determinants, access to knowledge and finance beside entrepreneurial capability (Ferris and Voia, 2012). Social entrepreneurs are motivated by a combination of both push factors (economic dimension such as to create own job) and pull factors (territorial and social dimensions, it is more about a desire to improve surroundings and to play there social and territorial role in changing everyday life of people in the community and immediate environment) and drivers of motivation are not only at an individual level (personal needs) but also at a social level through the recognition of social needs (Gabarret et al., 2017; Notais & Tixier, 2017). Social entrepreneurship is related with passion, tenacity, individual and social innovations, especially in the field of social inclusion (Alexandre-Leclair, 2017; Kuratko, 2011). The capacity of innovation of social entrepreneurs may be boosted by informal social networks and social capital typical for their inner circle (Boutillier & Ryckelynck, 2017). Social entrepreneurs should collectively define, create and deliver the social values or/and social wealth to the society (Kee, 2017). The social values co-creation process could be done by using positive collaborative innovation with diverse business and social partners and especially customers (Mayangsari et al., 2015).

Social entrepreneurship differs very much from the traditional, conventional commercial entrepreneurship in terms of nature, motivation and purpose, as well as orientation towards sustainable development philosophy and practices (Castellano et al., 2017). Entrepreneurship, especially social entrepreneurship, is considered not as a human innate feature. It must be strengthened and consolidated over time. In other words, entrepreneurship may be trained through and impacted by formal (university) education and informal (off-the-campus) education (Audretsch, 2017). Successful social entrepreneurship should be in parallel with national human
resource development policy and company-wide human resource management strategy (Prieto et al., 2015). Social entrepreneurship education is needed for sustainable development, especially in terms of identity, knowledge, personal capabilities and social entrepreneurship competencies (Orhei et al., 2015). Sustainable social entrepreneurship requires adequate managerial and entrepreneurial competencies that comprise social opportunity, social networking, social commitment and identification; social issues centered learning and motivation (Mohamad & Nasir, 2019). Discovering the variety of entrepreneurial identity should lead to open mind-sets as regards the sustainability issue. Understanding the complexity of social entrepreneurship needs a complex system of knowledge in terms of content and methods. Context-related elements and personal capabilities are called in because they mark the way for the essence of social entrepreneurship education as an unthinkable journey without ethics, sustainability and social responsibility issues (Obrecht, 2016; Salamzadeh et al., 2013). Social entrepreneurship competence is comprised of a large spectrum of social and functional competences (rather than cognitive competence) and motivations to solve social problems (Orhei et al., 2015). In the midst of huge expansion of entrepreneurship education in the XXI century we are increasingly witnessed the significant accomplishments in entrepreneurship theory, process, and practice (Kuratko, 2011). Social entrepreneurs face the ongoing challenge of validating their visions and purposes both to business and to society. The social entrepreneur must be able to define, assess and deliver social value or social wealth in contrast to the traditional economic performance expected from commercial entrepreneurs (Kee, 2017). Despite differing and conflicting philosophy and nature, social entrepreneurship and commercial entrepreneurship could to stay together to successfully bridge social capital leading to the emergence of entrepreneurial capital and the development of both profit and nonprofit entrepreneurial activities (Fokkema et al., 2017). The key to social entrepreneurship success and sustainability is demonstrating enduring results, i.e., an ongoing social value proposition delivered with fiscal responsibility (Clark & Brennan, 2016).

The above presented literature overview on the issue of sustainable social entrepreneurship is based on diverse and abundant social and sustainable entrepreneurship related scientific journals all over the world. However, despite diversity of research articles found in other journals, the number of articles dealing strictly with this issue identified in the International Journal of Entrepreneurship (IJoE) remains scarce (see the references at the end of this article) as the authors have tried to refer to them in this present research. This present article is in a hope to fill this existing research gap of the IJoE Journal and to be a pioneering one for other authors to continue the ongoing research stream and exert all-out efforts to delve deeper into this important research topic on entrepreneurship and lo relate with other business research topics as all the issues, contents and concerns of the idea of sustainable development is quite new both for developed and developing world and as such they are not only reserved for social entrepreneurship.

**METHODOLOGY**

The literature review reveals a lack of interest in or even a trouble of understanding conceptual foundations of social entrepreneurship, corporate sustainability and their mutual interrelation, focusing instead on description of common, popular social entrepreneurship notions, sustainable development practices, particularly in developing countries (Ite, 2004; Chapple & Moon, 2005; Eweje, 2006; Arya & Bassi, 2009; Wiig & Kolstad, 2010). This tendency to understand what companies are doing is related to the type of methodology that most
research papers used. Case studies discussion, comparative and systemic analysis, synthesis and abstraction of previous researches are frequently used to find the answers to why and how questions as well as to offset the lack of sufficient findings in the literature (Rubin and Rubin, 2005; Yin, 2009). The vast preference for qualitative research methods in developing countries may indicate many barriers and difficulties of conducting precise empirical research on a wide scale, both spatial and temporal (Husted & Allen, 2006; Jamali & Mirshak, 2007). Without exceptions, systemic analysis of scientific literature, general analysis and logical reasoning, comparison and abstraction are research methodology designated for the purpose of this article to study to find out adequate solutions and to propose suitable recommendations enhancing social entrepreneurship practices and their sustainable development for business and society. Hence, our research subject is the concept and contents of social entrepreneurship and related sustainability issues from corporate microscopic perspectives. The research object embraces two groups of dozens selected entrepreneurs of newly established enterprises: those situated in Ho Chi Minh City and those situated in the far-off countryside westwards. A series of personal interviews has been carried out with all entrepreneurs of selected enterprises and followed by structural survey (questionnaire) delivered to lower level of management staff (if any) and operational employees in order to confirm the exactness of the interview results. The purpose of all interviews and surveys is to examine the main characteristics and differences among commercial and social type of entrepreneurship. The aim of this research is to reveal practical implications of social enterprises and social entrepreneurship in developing countries and their sustainability issues.

RESULTS AND DISCUSSION

Entrepreneurship is the most essential driving force reflected in the current cultural, socio-economic, political, institutional and even technological settings of a given business environment, embedded in the business philosophy and business culture of enterprises operating in highly developed market economies. Social entrepreneurship is quite new but fast growing in importance skills, quality and competency of the managers-entrepreneurs in developing countries and emerging markets such as Vietnam. Whereas, the idea of sustainable development is a very popular management paradigm worldwide and as such it is now being imported into Vietnam. Sustainability issues are not only increasingly gaining in importance and becoming global. The scope of these issues is continually expanding, including all spheres of human business and non-business activities, also entrepreneurship. Increasingly and obviously, Vietnamese enterprises are becoming aware of the impact of sustainability issues on their business as they become global players in their national and regional marketplace due to the growing pressure created by multinational corporations operating in the home market. Corporate sustainable development requires sustainable entrepreneurship that poses a new big challenge for many organizations (Šimanskienė & Župerkienė, 2014). Sustainable entrepreneurship as such should become multidimensional, including inseparably at least social and environmental aspect in addition to the economic and financial sustainability (Mohamad & Nasir, 2019).

Vietnam is a rising country, being currently in a transition into the market economy. With imposing rate of GDP growth, many business opportunities wide open, relatively high level of entrepreneurship and economic freedom, it is a promised land for startups and entrepreneurs. However the mentioned GDP growth rate, business opportunities, as well as the level and the nature of entrepreneurship differ very much, depending on the specific of regions. The differences are visibly seen, especially in the relatively developed megacities and still
underdeveloped countryside’s far-off areas. While in Vietnamese megacities the business opportunities are wide open and the standard of living is increasingly high, rivaling with other megacities in Asia and worldwide, many people still live in poverty in far-off areas where the basic strategic social infrastructures are insufficient and underserved. Our research results show that a majority of analyzed cases of entrepreneurial undertakings in the megacities are profit oriented and of truly commercial nature in a bid to explore business opportunities there while only a minority of analyzed cases of them are non-profit and oriented toward social initiatives and goals. The research results are proved to be reversed for the far-off areas in different locations westwards Ho Chi Minh City. While commercial entrepreneurship is continually expanding at fast and incredible rate, reflecting people’s entrepreneurial instinct inside, strong economic growth potential of the megacities and appearing business opportunities therein, social entrepreneurship in far-off areas needs further improvement and better investment in order to develop sustainably and fulfill its mission that is to gradually close the civilization gap between the two regions and to contribute to the ongoing process of formation of a role model of regional agglomeration in the Southern Vietnam. The following things identified in this research need to be done in order to boost the sustainable social entrepreneurship and support the social enterprises operating in the far-off areas:

To spread and popularize the knowledge and education on social entrepreneurship and sustainable issues. Vietnamese business and society must understand the identity and complexity of social entrepreneurship, the importance of social responsibility and sustainability issues, the social and functional competences and motivational drivers of social entrepreneurs in solving social burning problems as well as the ongoing changes that challenge the visions, purposes and place of social enterprises in the economy and society in line with the Industrial Revolution 4.0. This is the important role and mission of Vietnamese universities to deliver adequate knowledge and to educate generations of social entrepreneurs, taking under consideration the specificity of local business context, technological trends and socio-economic conditions, cultural, political and institutional settings. Vietnamese typical and peculiar cultural, institutional settings, technological readiness and general socio-economic context are important elements that impact entrepreneurial capability in social enterprises. The local context, traditions, customs related knowledge and sustainable behaviors understanding should be delivered to foreign and overseas entrepreneurs with mission, vision and strong desire to establish their social enterprises in Vietnam on how to take a proactive social roles and how to be active members in the local community.

Mission of social enterprises is to employ vulnerable social groups and realize social investment or improvement projects, significantly promoting and facilitating the idea of inclusive development, delivering social values to different groups in the society. It is unfeasible without access to funding as financial capacity of social enterprises is limited. Public-private partnership (with the Vietnamese local government) and foreign-domestic cooperation should be in place to help social enterprises to carry out useful and valuable projects towards their stated mission. Public undertakings and foreign investment capital should be engaged to be hand in hand with social undertakings of social enterprises.

As a result of sustainable development, Vietnamese social enterprises and their social undertakings should become growth engines, changing agents of local community development as strategic drivers in facilitating the adjustment to multi-aspect, multidimensional changes and supporting local competitiveness. Sooner or later, Vietnamese social enterprises should
proactively and sustainably take over local government initiatives as the role of social entrepreneurial activities is increasingly growing in the economy and society.

Furthermore, Vietnamese social enterprises should form their own circles that are, for example, social networks, aiming at supplementing each other, boosting mutual supports, cooperation and co-undertakings. Social networks, formal and, more importantly, informal are to create social and entrepreneurial capital to enhance and further social innovations, improve the recognition of social needs, strengthen passion, tenacity of individual Vietnamese social entrepreneurs.

Vietnamese social entrepreneurs and commercial entrepreneurs should stay side by side to successfully bridge and leverage social capital (created by social networks) leading to the creation of entrepreneurial capital (created by entrepreneurial networks) and the development of for-profit, non-profit and hybrid forms of socially sustainable entrepreneurial activities as the entrepreneurship’s nature is overarching, multi-aspect and multidimensional. A strict cooperation between commercial entrepreneurs in megacities and social entrepreneurs in the countryside will be of highest values for the hybrid entrepreneurial activities that promote innovations and other types of entrepreneurship and become increasingly dominant in the reality of Vietnamese business and society.

LIMITATIONS AND CONCLUSIONS

The first and foremost limitation in this article is to assume, for the simplification purpose of this research that only commercial and social type of entrepreneurship are subjects of analysis. However, there are also other types of entrepreneurship that need to be unveiled and promoted at the intersection of its social and commercial dimensions. The next limitation of this research is not to conduct empirical study on a wider scale (it does not embrace a larger number of research objects), without referring to different industries (it does not segment the researched enterprises into different sectors). Furthermore, the research is focused on Vietnamese entrepreneurs and enterprises operating within the territory of Vietnam. Additionally, the research investigated only the Southern economic hub of the country (Ho Chi Minh City and far-off countryside westward localities). Other national important economics hubs should also be objects of analysis to reflect their specificity such as Northern economic hub (Hanoi capital and far-off areas), Central economic hub (Da Nang City and far-off areas) to draw similar but probably not exactly the same conclusions. Further international researches should be carried out at least at the regional level, level of ASEAN countries to prove the similarities and/or differences of research results in a wider geographical context. In researches of this type there is a vast preference of most authors for qualitative methods, especially the case and comparative study. The preference of such methodology in researches carried out in developing countries may indicate the difficulty of gathering precise and detailed input data that may not be available for quantitative researches and limited funds designed for this purpose. Further researches should combine in-depth multiple case studies with statistical analysis based on a larger sample of enterprises. Nonetheless, the research results of this article may serve as preliminary and precondition for such further researches.

The result of this research points out to the fact, that managers-entrepreneurs in relatively developed zone of the country (megacities represented in this article by Ho Chi Minh City), in contrary to the zone underdeveloped (the far-off westward countryside areas) are most effective when they leverage their extant competencies and capabilities (in terms of business and profit making orientation, quick acquisition, adoption and redevelopment of commercial
entrepreneurship skills), rather than stretching to build new and much more sophisticated ones (in terms of building social capabilities, sustainable orientation and social entrepreneurship). Certainly, integrated approach in terms of sustainable entrepreneurship development could lead to more viable long-run positions of the enterprises. Especially, due to the geographical and cultural proximity, megalcity and far-off area may be merged together in the near future as communication infrastructure are to be improved, technology investment and development will continue to expand further in line with the ongoing Industrial Revolution 4.0. There are many leading examples both in the world, in Asia and in ASEAN. We have seen how many megacities in Asia such as Tokyo, Seoul, Bangalore, Beijing, Shanghai, and Shenzhen; in the ASEAN such as Bangkok (Thailand) and Jakarta (Indonesia) have been merged with surrounding suburban areas and far-off countryside to form colossal social and business conglomerations that could exceed the population and economic scale of medium (Netherlands) and large size (Poland) country in Europe. Secondly, for the purpose of future sustainable development, commercial and social entrepreneurship will mutually supplement, interrelate and penetrate each other so that the boundary between the social and commercial enterprises will be blurred as the true nature of entrepreneurship revealed to be overarching and cover all the aspects and dimensions of the issue. But now, in the current stage of socio-economic development, due to the present science and technology level, and facing actual socio-business context and institutional settings of Vietnam, still as a developing country, managers and entrepreneurs’ natural instinct is to push for making money and accumulating capital first, especially when there are too much such possibilities wide open around in fast expanding megacities (to catch up with general ASEAN level of development) in terms of economic growth, social development and the boom of consumers population. Furthermore and undoubtedly, commercial entrepreneurship skills are rather easier to adopt and acquire than sophisticated and equivocal social entrepreneurship skills being at the crossroads of social and economic behavior. Additionally, in comparison to the commercial enterprises, at the initial stage, social enterprises need more multidimensional, multi-level and multiphase support from governmental institution and third parties in order to exist, to develop sustainably, to rise to their new heights and to fulfill their specific mission and finally to overtake the roles and the initiatives of the local government and institutions (Vannebo & Grande, 2018).

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