

Creating Jobs and Income for the Poor in Vietnam Through Policies to Support Development of Small Businesses

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ABSTRACT

Small businesses account for a large proportion and the majority of the business system of countries. The development of the small business system has a profound impact on the economy as well as the development of society and local communities. When small businesses develop, they will attract local workers, create jobs and income for workers, especially for the poor, contributing to improving living conditions and reducing income inequality; on the other hand, small business development not only creates jobs but also stimulates supporting industries, improves infrastructure and contributes to local budgets. Therefore, implementing policies to support small business development is always necessary and meaningful for each country and each locality. This study discusses policies to support small business development, including: Supporting small businesses to develop management and operation capacity and attract workers; and Supporting small businesses to develop the economy, society and serve the community and locality. At the same time, the author analyzes and evaluates the impact of the above policies to support small business development on the issue of job creation and income of the poor. Based on the theoretical framework, the author conducted a survey of 270 small business managers in 3 provinces representing 3 regions of Vietnam, including: Bac Giang province (North), Nghe An province (Central), Tay Ninh province (South). The survey results are the basis for the author to draw research conclusions and discuss solutions to promote small business development, which are meaningful and suitable to the socio-economic characteristics in Vietnam.

Keywords: Small businesses; Jobs and income of the poor; Vietnam.

INTRODUCTION

Vietnam is a lower middle-income country in the world but is on the rise. In 2025, the Vietnamese National Assembly has approved a GDP growth target of at least 8%, up from the previous target of 6.5% to 7.0% (Reuters, 2025). This opens up a great opportunity for Vietnam to narrow the development gap with countries in the Southeast Asian region such as Singapore and Malaysia. In addition, Vietnam is a highly open economy, with total import-export turnover regularly exceeding 200% of GDP, showing deep integration into the global economy (WB, 2024).

These economic achievements have a significant contribution from the small business sector. According to data published by the General Statistics Office, small and medium enterprises account for about 98% of the total number of enterprises nationwide, contributing more than 40% of GDP and creating over 60% of jobs for the economy (GSO, 2022). The development of this sector contributes to promoting economic growth, creating jobs, improving the living conditions of workers and narrowing the gap between rich and poor in society.

Supporting small businesses to develop their management, operational and workforce skills is one of the key factors that help businesses develop sustainably. According to the research of OECD (2021), small businesses often face limitations in strategic planning, financial management and risk control. Improving management and operational skills not only helps businesses operate more effectively but also contributes to creating more stable job opportunities for workers (Schneider, 2011). In addition, small businesses also need support in accessing capital, technology and workforce training to improve productivity and competitiveness in the market (Rees et al., 1986).

In addition to their role in economic development, small businesses also have a great impact on social development and local communities. When small businesses develop, they not only create jobs but also stimulate supporting industries, improve infrastructure and contribute to local budgets (Hirschman, 1958; Rondinelli et al., 1983). In particular, when small businesses are supported to develop in rural and disadvantaged areas, they can effectively help reduce poverty, through creating sustainable employment opportunities for low-income workers.

Research by Duflo (2001) and Todaro et al. (2015) emphasizes that increasing the income of the working poor not only improves their living standards but also creates incentives for them to participate in the formal economy, thereby promoting consumption and economic growth. At the same time, small businesses can play an important role in training and improving workers' skills, helping them increase productivity and access better job opportunities (Cedefop, 2016). In particular, small business development also has a positive impact on social life through improving the welfare of the working poor and supporting the improvement of local socio-economic infrastructure.

In this context, this study focuses on assessing the role of small enterprises in creating jobs and income for the poor in Vietnam. Specifically, the study will analyze two main contents: (1) Supporting small enterprises to improve their management and operation capacity and attract workers; (2) Supporting small enterprises to develop socio-economy, thereby creating jobs and improving income for the poor. Through that, the study proposes policies and solutions to promote the sustainable development of small enterprises, thereby contributing to the goal of poverty reduction and sustainable economic growth in Vietnam in the coming time.

2. LITERATURE REVIEW

According to (Ayyagari, et al., 2014), small businesses play an important role in the economy, contributing to job creation and promoting local economic growth. According to many international organizations, small businesses are often identified based on factors such as the number of employees, total assets and annual revenue. The World Bank (WB, 2020) defines a small business as an enterprise with fewer than 100 employees, annual revenue of less than 3 million USD and total assets not exceeding 3 million USD. The Organization for Economic Cooperation and Development (OECD, 2019) also gives a similar definition but emphasizes that small businesses usually have fewer than 50 employees and annual revenue below a specific threshold for each country. Meanwhile, the European Union (EC, 2020) classifies small enterprises as those with fewer than 50 employees and a turnover or total assets not exceeding EUR 10 million.

In Vietnam, according to the provisions of Decree 80/2021/ND-CP of the Government (VG, 2021), small enterprises are classified based on the field of operation: (i) small enterprises in the fields of agriculture, forestry and fishery; industry and construction with 10-100 employees, annual revenue not exceeding VND 50 billion or total capital not exceeding VND 20 billion. (ii) small enterprises in the fields of trade and services with 10-50 employees, annual revenue not exceeding VND 100 billion or total capital not exceeding VND 50 billion. Compared to international practice, the criteria for determining small enterprises in Vietnam are significantly different, due to the characteristics of the economy in the development stage, enterprises are mainly small and micro. Clearly defining the criteria for what constitutes a small enterprise helps to specify the subjects of the Government's support policies, and at the same time clarify the definition in studies and analyses on the development of this economic sector. Although small enterprises have made important contributions to the economic growth and development in Vietnam in the recent past, these enterprises are currently facing many challenges such as limited capital, outdated technology, inadequate management capacity and low-skilled labor.

One of the biggest obstacles for small businesses in Vietnam is access to capital. According to the State Bank of Vietnam (SBV, 2022), up to 70% of small businesses have difficulty accessing credit due to lack of collateral and unclear financial records. In addition, low competitiveness, high financial risks, and lack of strategic direction are major obstacles that make it difficult for small businesses to develop on their own and are in great need of support from government policies and business support programs. In particular, support for improving management and operational capacity plays an extremely important role, helping small businesses improve operational efficiency, increase labor productivity, and make better use of available resources. Studies have shown that training and management support programs can help small businesses increase their revenue by an average of 10-20% within two years of participation (McKenzie, et al., 2017); the focus of support policies should be on important aspects: (i) Supporting small businesses to develop their management, operational and labor attraction capacity; and (ii) Supporting small businesses to develop the economy, society and serve the community and locality.

Support small businesses to develop management, operational capacity and labor attraction

Business planning and strategy capability is the ability of an enterprise to develop, implement and adjust plans to achieve long-term business goals, optimize resources and adapt to the competitive environment (Barney, 1991; Porter, 1990). This capability reflects flexibility in strategic planning, demonstrating the ability to manage, make decisions and orient sustainable development of the enterprise. According to Porter (1990), effective business strategy helps enterprises create competitive advantages through differentiation, low cost or focus on a specific market segment. Meanwhile, Barney (1991) emphasizes the role of internal resources in strategy building, arguing that small enterprises can take advantage of flexibility, creativity and local relationships to develop strategies suitable to actual conditions. Small businesses often face many challenges in formulating and implementing business strategies due to limited financial, human and technological resources (OECD, 2021). However, support to improve planning and strategic

capacity can help them better exploit business opportunities, increase operational efficiency and scale up (Gibb, 2000). Studies also suggest that small businesses with clear and flexible business strategies are more adaptable in an increasingly competitive environment (Wiklund et al., 2003).

The ability to plan and develop business strategies plays an important role in the sustainable development of small businesses. According to Gibson et al. (2005), small businesses often have difficulty in defining long-term business goals and adjusting strategies to adapt to the changing business environment. Porter (1990) emphasized that effective competitive strategies help small businesses optimize resources, increase advantages over competitors and improve the ability to attract workers. Barney (1991) mentioned the resource and competitiveness theory, in which businesses can take advantage of internal resources to build appropriate business strategies. Supporting small businesses in developing planning and strategic capabilities not only helps them maintain stable operations but also improves productivity and labor efficiency (OECD, 2021). Capacity building support programs through training in business planning, market development strategies and human resource management will help small businesses have a clearer direction in expanding their operations and creating more job opportunities.

Financial and risk management capacity is the ability of a business to plan, control and optimize financial resources to ensure stability and sustainable development, while minimizing risks that may affect business operations (Moyer et al., 2017). According to Smallbone et al. (2002), for small businesses, this capacity includes the ability to access and mobilize capital, financial planning, cash flow management, cost control, debt management and assessment of risk factors that may affect business operations. Moyer et al. (2017) emphasized that a business with good financial capacity will ensure liquidity, maintain stable operations and have the ability to invest to expand production, create more jobs and income for workers.

Smallbone et al., (2002) pointed out that small businesses often have limited financial knowledge and risk management tools, making them vulnerable to economic fluctuations. Therefore, improving financial management and risk management capacity is an important factor to help small businesses develop sustainably and contribute positively to local economic activities. Financial management and risk control are core factors to help small businesses maintain stable business operations. Moyer et al. (2017) emphasized that financial management capacity is the ability to optimize cash flow, manage costs and use financial leverage effectively. Smallbone et al. (2002) suggested that small businesses need support in financial knowledge and risk management tools to ensure sustainable business operations. Policies to support small businesses, such as access to preferential credit, financial management training and application of technology in management, will help them improve their capital management capacity, thereby increasing job creation opportunities for workers.

Management capacity and operational efficiency are the ability of a business to organize, implement and monitor production and business activities to optimize resources, increase productivity and achieve strategic goals (Kaplan et al., 1992). Management and operational capacity of small businesses is not only demonstrated through the ability to plan, coordinate and control activities but also in the ability to quickly adapt to market fluctuations. Kaplan, et al. (1992) emphasized that management efficiency is measured by the level of resource optimization, the ability to achieve business goals and the satisfaction of stakeholders, including customers, employees and investors.

Management capacity and operational efficiency play an important role in optimizing resources and improving labor productivity. Many small businesses in Vietnam have not applied professional management models, leading to limited efficiency and ability to expand operations. Kaplan, et al. (1992) proposed the Balanced Scorecard model as an effective tool to help small businesses comprehensively evaluate management efficiency, from internal operations, finance, customers to human development. Supporting small businesses to develop management capacity through training in leadership skills, applying technology in management and building a performance monitoring system will help improve operational efficiency. When businesses have a solid management system, they can develop sustainably, optimize human resources and expand scale, thereby creating more jobs and improving income for workers.

Support small businesses to develop the economy, society and serve the community and locality

Small businesses play an important role in economic activities that have a profound impact on the development of local communities. According to Blanchflower et al. (1994), small businesses contribute to expanding production, creating jobs and increasing income for local workers, thereby promoting regional economic growth. Furthermore, according to the study of Audretsch et al. (2001), small businesses play an important role in innovation, promoting competition and improving the efficiency of local resource use.

According to Hirschman (1958) and Rondinelli et al. (1983), the development of small enterprises helps to upgrade infrastructure, improve public services and narrow the socio-economic gap. For example, the increase of small enterprises in the agricultural processing industry not only promotes agricultural production but also improves local transportation, warehousing and logistics conditions (WB, 2020). When small enterprises expand production, they

not only increase their business capacity but also attract more workers, providing more stable employment opportunities for local people. This is especially important for rural areas where employment opportunities are limited. Blanchflower et al. (1994) also emphasized that the increase in the number of small enterprises is directly correlated with the improvement of the local employment situation.

In addition to directly creating jobs, small businesses also indirectly stimulate supporting industries, thereby expanding more job opportunities in the community. According to Acs et al. (1990), the development of small businesses contributes to the formation of industrial clusters, creating conditions for related industries to develop more strongly. As small businesses grow, they tend to use local labor, at the same time creating value chains linking suppliers, services and traditional industries.

Small business development not only benefits the businesses themselves but also promotes regional economic growth. According to Audretsch et al. (2001), small businesses act as growth engines in localities, contributing to expanding production scale and increasing economic value. In the same view, Baumol (2004) believes that small businesses contribute significantly to labor productivity growth thanks to their ability to quickly adapt to market fluctuations. Hirschman (1958) argues that the development of small businesses has a spillover effect on the entire economy, especially in creating supporting industries and improving connectivity between production areas. For example, the development of small businesses in the textile sector helps promote the production of raw materials, dyes and garment accessories (Naudé, 2010). Rondinelli et al. (1983) also emphasized that the presence of small businesses helps improve local infrastructure, increase resource efficiency, and promote investment from external resources. When small businesses grow, they contribute to increasing local tax revenues, helping the government have more budget to invest in public areas such as education, health care, and transportation.

In addition to economic benefits, small businesses also have a great impact on social development and improving the living conditions of the community. According to Mead et al. (1998), expanding production and business helps to improve people's living standards, creating conditions for them to access better social services. For example, research by Banerjee et al. (2011) shows that the development of small businesses can increase the rate of access to education and health care in poor communities. Sen (1999) also affirmed that the development of small businesses directly contributes to improving human capacity and creating sustainable development opportunities, helping workers escape poverty in the long term. Jenkins (2005) believes that small businesses not only bring income to workers but also contribute to shaping local business culture, creating new values for the community. As small businesses grow, they tend to invest in social activities, contributing to charity programs, community development and improving the living conditions of residents.

Thus, it can be seen that supporting small businesses to develop production and business not only helps to expand employment opportunities but also has a spillover effect on the local socio-economy. Therefore, support policies need to focus on three main groups: (i) creating favorable conditions for small businesses to expand production and attract workers, (ii) promoting local economic growth through improved connectivity and financial support, and (iii) encouraging businesses to participate in community development activities and social responsibility (OECD, 2021).

Create jobs and income for the poor

Small business development not only contributes to economic growth but also plays an important role in creating jobs and improving incomes for the poor. According to Schneider (2011), small businesses are able to employ more local workers at lower costs than large businesses, thereby expanding employment opportunities for disadvantaged groups of workers. Small businesses are often highly flexible, easily adaptable to local economic conditions and can expand operations even in economically underdeveloped areas (Beck et al., 2005). In addition, Rees et al. (1986) emphasized that small businesses are often flexible in recruiting and training workers, creating conditions for the poor to access sustainable employment opportunities.

The expansion of small enterprises leads to an increase in employment, especially for the working poor. According to Ayyagari et al. (2014), small enterprises can create more job opportunities for unskilled workers, who have little access to jobs in large enterprises. Schneider (2011) argues that in the informal economy, there are many small enterprises, which play an important role in creating jobs for the working poor. In addition, Rees et al. (1986) emphasize that small enterprises have the ability to be flexible in recruitment, helping poor workers access job opportunities more quickly than large enterprises with complex recruitment processes. However, small enterprises often face unstable employment, with low income and unsafe working conditions (Fields, 2011). Therefore, it is necessary to have policies to support small businesses to develop in a sustainable direction, ensure stable employment and improve workers' rights (ILO, 2019).

Creating jobs for the poor not only helps them have a stable source of income but also has a positive impact on socio-economic growth. According to Todaro et al. (2015) and Duflo (2001), the income of the poor tends to be used for

essential needs, while the rich have a demand for luxury goods, thereby contributing to promoting consumption and economic growth through the development of a diversified economic structure. In addition, vocational training and skills improvement also play an important role in helping workers escape poverty sustainably (Cedefop, 2016). This is especially important for Vietnam, where the workforce in small enterprises is mainly low-skilled workers, with few opportunities for formal and professional training.

In addition to creating jobs, small businesses also contribute to improving the income of poor workers. According to La Porta et al. (2014), when small businesses develop, they tend to increase wages for workers, helping to improve the living standards of the poor. Todaro et al. (2015) also argued that increased income not only helps the poor escape poverty but also motivates them to participate in the formal economy. Duflo (2001) emphasized that increased income helps poor workers have more access to health and education services, thereby improving the overall quality of life. Moreover, increased income in the small business sector can contribute to reducing income inequality among labor groups, especially between urban and rural workers (Kuznets, 1955). As income increases, the rate of reinvestment in skills development also increases, creating a positive spiral of increasing labor productivity and enhancing the competitiveness of small businesses in the economy (Cedefop, 2016).

Small businesses not only create jobs but also provide vocational training opportunities for poor workers, helping them improve their skills and increase their adaptability to the labor market. According to the World Bank (2018), small businesses play an important role in vocational skills training for workers, especially in developing economies where the formal vocational education system has not fully met the needs of the market. Cedefop (2016) also emphasized that investing in vocational training helps increase labor productivity and create a more skilled workforce. However, in reality, many small businesses in Vietnam do not have enough resources to organize formal training programs, so they need support from state policies or cooperation with vocational training organizations. Duflo (2001) also argues that vocational training not only helps workers improve their income but also creates a spillover effect, when they can impart skills to the community, creating broader socio-economic benefits.

The quality of life of the poor depends not only on income but also on factors such as health, education, living conditions and social welfare. According to UNDP (2020), the development of small enterprises can have a positive impact on the lives of the working poor by providing stable jobs and employee welfare programs. Ravallion (2001) argues that improving income through employment helps the poor have better access to health services, thereby increasing life expectancy and reducing mortality due to poverty. Veenhoven (1996) also points out that a stable job not only provides income but also helps workers feel more valued in society, thereby improving mental health and life satisfaction. Fosu (2009) emphasized that when small businesses grow, they can contribute to community activities, improve infrastructure, support education and health care, thereby helping to improve the overall quality of life of the whole community, especially the poor working class.

Thus, small business development, in addition to increasing economic benefits, also has a profound impact on job creation, income improvement, vocational training and improving the quality of life of the poor. Supporting small businesses to develop sustainably will help increase opportunities for disadvantaged workers, creating a solid foundation for sustainable socio-economic development. In the context of Vietnam, studying the development of small businesses in creating jobs and income for the poor is of great significance. Based on the theoretical foundation and previous studies, this article will continue to analyze and test two main hypotheses: *Supporting small businesses to develop management, operation and labor attraction capacity (H1) and Supporting small businesses to develop the economy, society and serve the community and locality (H2) thereby creating jobs and income for the poor.*

Table 1. Summary of theoretical research on small business development to create jobs and income for the poor

Scales	Related research	Inherited content, developing research scale
Support small businesses to develop management, operational capacity and labor attraction (MOC)		
Business planning and strategy capacity	Nguyễn, T.T.H. (2019); Barney (1991); Porter (1990)	MOC1. Small businesses are supported to develop, develop their ability to plan, strategize and attract employees.
Financial and risk management capacity	Phạm, V.D. (2016); Moyer, et al. (2017); Smallbone, et al. (2002)	MOC2. Small businesses are supported to develop, have promoted the ability to manage finance, manage risks and use labor effectively.
Management and operational capacity and efficiency	Lê, P.T., et al. (2020); Kaplan, et al. (1992)	MOC3. Small businesses are supported to develop, have promoted the ability to manage, operate and optimize resources for sustainable development.

Scales	Related research	Inherited content, developing research scale
Support small businesses to develop the economy, society and serve the community and locality (ESC)		
Developing production, business and attracting labor in the community and locality	Nguyễn,V.D. (2018); Blanchflower, et al. (1994)	ESC1. Small businesses are supported to develop, have conditions to stabilize production and business, and create more jobs in the local community.
Developing production and business contributes to local economic development	Trần, L.A. (2017); Hirschman (1958); Rondinelli, et al. (1983)	ESC2. Small businesses are supported to develop, have conditions to develop production and business, promote local economic growth and reduce income disparities.
Develop production and business and contribute to social development and improve living conditions in the community and locality	Phạm, M.H. (2019); Sen (1999); Jenkins (2005).	ESC3. Small businesses are supported to develop, have conditions to develop production and business, promote social development and improve living conditions, enhance the quality of life of people in the community and locality.
Create jobs and income for the poor (JIP)		
Number of jobs created for the poor	Nguyễn,T.H. (2020); Schneider (2011); Rees, et al. (1986)	JIP1. Small business development has promoted increased employment and job opportunities for the poor, in the community and locally.
Average income of the working poor	Lê, Q.T. et al. (2019); Todaro, M.P. et al. (2015), Duflo (2001)	JIP2. Small business development has contributed to increasing the income of poor workers, helping to reduce income inequality in the community and locality.
Training and career development opportunities	Đặng, T.H. (2018); Cedefop (2016); Duflo, E. (2001)	JIP3. Small business development has created conditions for training and developing vocational skills, improving labor productivity for the poor in the community and locality.
Quality of life of the working poor	Vũ (2021); Ravallion (2001); Veenhoven (1996), Fosu (2009)	JIP4. Small business development has contributed to improving the quality of life of the working poor through improved income and social welfare.

Source: Compiled by the author through the review

From the above general research content, the author has built a research model on supporting small business development and its impact on job creation and income for the poor, including 3 scale: "Support small businesses to develop management, operational capacity and labor attraction" (MOC), "Support small businesses to develop the economy, society and serve the community and locality" (ESC) (02 scales/ independent variables) and "Create jobs and income for the poor" (JIP) (01 scale/dependent variable). The above scale consists of 10 observations, designed by the author into 10 questions in the survey and measurement form with a measure of Likert 5 levels: 1 - Very disagree; 2 - disagree; 3 - No idea; 4 - Agree; 5 - Very agree (Table 1, Figure 1).

Research model

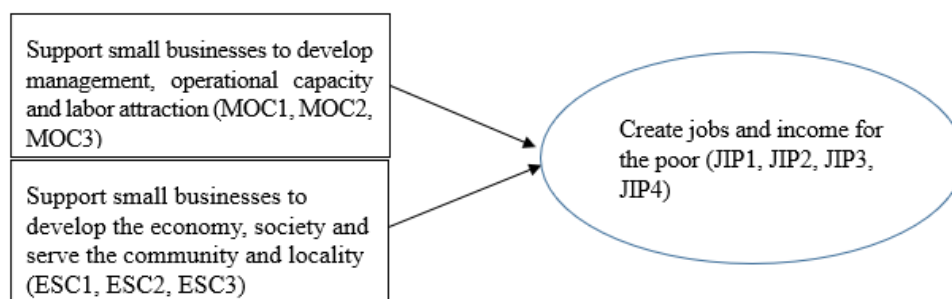


Figure 1. Research model

3. RESEARCH METHOD

Using a combination of qualitative and quantitative methods is the research method selected by the author when performing this research. In the qualitative method, the author collects and analyzes secondary documents to build

theoretical framework and research model. In quantitative methods, the author surveyed to collect and analyze primary data to test theoretical framework and research model. The survey is conducted in two steps: preliminary survey and official survey.

- Preliminary survey: In this study, the research model consists of 03 scale, 10 observations. According to Hair, J.F. et al. (2009), the minimum sample size needs to be performed when analyzing the discovery factor and regression analysis for the model of 3 -scale research, 10 observation variables, namely: $n = 10 \times 5 = 50$. First, the author conducts a preliminary survey in Bac Giang province with sample size $n = 90$ ($n > 50$) small business managers. Preliminary survey results in Bac Giang province show that the scale and observation scales are reliable to be able to put into use official surveys at a wider scope.

- Official survey: From the preliminary survey results meeting the requirements of reliability testing, the author conducted an official survey with the sample size $N = 270$ ($n > 50$) The manager of 210 small enterprises operating in 3 provinces representing 3 regions of Vietnam, including: Bac Giang province (North), Nghe An Province (Central), Tay Ninh Province (South). The selective survey is conducted with the survey subject who is a small enterprise manager with experience from 3 years or more. With the consent of 270 respondents, the author obtained 270/270 valid answer votes, reaching a 100% response rate.

4. RESEARCH RESULTS AND DISCUSSION

First, the author conducts a test scale, analyzing the discovery factor, analyzing regression for modeling, testing the relationship of the scale and making research conclusions. According to Hair, J.F. et al. (2009), the scale of reliability when meeting the standard conditions of cronbach'alpha > 0.6; Observatory variables are reliable when meeting the standard Corrected Item-Total Correlation > 0.3. The results of testing data for 270 corporate managers collected showed that all 3 scale and 10 observations in the initial research model were reliable to perform the next analysis (Table 2).

Table 2. Statistical results and testing results of the scale

Scales	Observed variables	N	Min	Max	Mean	Std. Deviation	Cronbach' Alpha	Corrected Item-Total Correlation
1. Support small businesses to develop management, operational capacity and labor attraction (MOC)	MOC1	270	1	5	4.22	.581	.716	MOC1 = .534
	MOC2	270	1	5	4.21	.643		MOC2 = .481
	MOC3	270	1	5	4.16	.659		MOC3 = .508
2. Support small businesses to develop the economy, society and serve the community and locality (ESC)	ESC1	270	1	5	4.05	.605	.677	ESC1 = .456
	ESC2	270	1	5	4.02	.616		ESC2 = .434
	ESC3	270	1	5	3.96	.634		ESC3 = .379
3. Create jobs and income for the poor (JIP)	JIP1	270	1	5	4.18	.649	.651	JIP1 = .545
	JIP2	270	1	5	4.11	.581		JIP2 = .498
	JIP3	270	1	5	4.08	.607		JIP3 = .387
	JIP4	270	1	5	4.09	.613		JIP4 = .404
Valid N (listwise)		270						

Source: Author's survey results

Table 2 data shows the observations of the scale "Support small businesses to develop management, operational capacity and labor attraction" (MOC), the scale of "Support small businesses to develop the economy, society and serve the community and locality" (ESC) and the "Create jobs and income for the poor" (JIP) are assessed at an average of Means > 3.96.

There is a difference in the survey data, which is the observation variables of the scale of "Support small businesses to develop the economy, society and serve the community and locality" (ESC) is evaluated at a lower level than the scale "Support small businesses to develop management, operational capacity and labor attraction" (MOC): Mean (ESC1) = 4.05, Mean (ESC2) = 4.02, Mean (ESC3) = 3.96, showing that there are still many small enterprises that have not yet accessed the support of capital and markets ... to develop production, business and attract labor in the community and localities; Therefore, those businesses do not have many conditions for production and business development to contribute to local socio-economic development and improve living conditions in the community and localities.

The survey results also reflected the situation of developing small businesses, the situation of supporting the development of small businesses in Vietnam today, similar to the judgment and assessment of many experts and managers. Accordingly, (1) small enterprises are not fully prepared in financial resources, personnel, corporate

governance organization, market information; Low technological level and slow innovation, financial capacity, labor productivity, business efficiency are still low, weak linkage; The ability to participate in domestic and international value chains is still low (Ven, L.P. et al., 2024); According to Huyen, V.T.T. et al. (2024), Most small and medium - sized enterprises have not mastered the source technology, but also have psychological psychology, do not dare to accept the risk of investment and upgrade of standard and quality so there are no breakthrough steps, so it needs more support from the State.

From the results of testing the reliability of the scale and observation, the author has the basis to conduct an analysis of discovery factor to test the initial theoretical research model. The analysis of the discovery factor with Varimax rotation is made to preliminarily evaluate the single -direction, convergence value, and distinct value of the scale to have more basis for the conclusion of the research conclusions on the conformity of the theoretical research model set out. Discovery factor analysis results are shown in Table 3 and Table 4 below.

Table 3. Total Variance Explained

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.756
Bartlett's Test of Sphericity	Approx. Chi-Square	2094.000
	df	36
	Sig.	.000

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.582	39.805	39.805	3.582	39.805	39.805	2.803	31.149	31.149
2	2.913	32.369	72.174	2.913	32.369	72.174	2.693	29.924	61.073
3	1.059	11.769	83.943	1.059	11.769	83.943	2.058	22.870	83.943
4	.661	6.124	87.615						
5	.491	5.451	89.394						
6	.415	4.616	94.011						
7	.190	2.106	96.116						
8	.172	1.907	98.023						
9	.123	1.365	99.389						
10	.055	.611	100.000						

Extraction Method: Principal Component Analysis.

Source: Author's survey results

Table 4. Rotated Component Matrix

Rotated Component Matrix ^a				
Scales	Observed variables	Component		
		1	2	3
1. Support small businesses to develop management, operational capacity and labor attraction (MOC)	MOC1	.766		
	MOC2	.781		
	MOC3	.775		
2. Support small businesses to develop the economy, society and serve the community and locality (ESC)	ESC1		.742	
	ESC2		.762	
	ESC3		.759	
3. Create jobs and income for the poor (JIP)	JIP1			.779
	JIP2			.772
	JIP3			.793
	JIP4			.785

Extraction Method: Principal Component Analysis.
 Rotation Method: Varimax with Kaiser Normalization.
 a. Rotation converged in 6 iterations.

Source: Author's survey results

In quantitative research, according to Hair, J.F. et al. (2009), Discovery factor analysis is made in accordance with data sets through the values: $0.5 \leq kmo \leq 1$; Bartlett testing has a significant level of SIG observation. <0.05 ; Eigenvalue ≥ 1 ; Total Variance Explained $\geq 50\%$; Factor Loading ≥ 0.5 . Data Table 3 and Table 4 shows:

- KMO coefficient = $0.756 > 0.5$, confirming the analysis of discovery factor is suitable for data sets; Bartlett testing has a significant level of SIG observation. = $0.000 < 0.05$, showing observations with linear correlation with representative factors. Total Variance Explained (Total Variance Explained) with cumulative% = $83.943\% > 50\%$ (Table 3), showing 83,943% of the variance of the representative factors explained by observation variables; Observatory variables have Factor Loading > 0.5 (Table 4), showing observations of good statistical significance. The theoretical research model initially given in accordance with the survey research.

- The observed variables are extracted into 03 factors corresponding to 03 initial factors with Eigenvalues > 1 (Table 3), continuing to affirm the suitability of the initial research model. And the initial research model was kept, including: 02 independent variables "Support small businesses to develop management, operational capacity and labor attraction" (MOC), "Support small businesses to develop the economy, society and serve the community and locality" (ESC) and 01 dependency variables "Create jobs and income for the poor" (JIP) with a total statistical variable to see if the statistical variable variables can be used to see if the statistical variable variable, which can be meticulously, it is possible to see the statistical statistical variable to see the statistical statistical variable to see the route. The relationship of the variables in the model. The regression analysis results are shown in Table 5, which is the basis for the author to draw research conclusions.

Table 5. Multivariate regression results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	VIF
	B	Std. Error	Beta			
1(Constant)	1.192	.212		13.656	.000	
1. Support small businesses to develop management, operational capacity and labor attraction (MOC)	.584	.362	.514	10.967	.000	1.826
2. Support small businesses to develop the economy, society and serve the community and locality (ESC)	.431	.307	.368	9.779	.000	1.826
a. Dependent Variable: Create jobs and income for the poor (JIP)						
Adjusted R Square: 0.751 Durbin-Watson: 2.112						

Source: Author's survey results

Table 5 data shows:

+ R Square = 0.751, confirming the scale of "Support small businesses to develop management, operational capacity and labor attraction" (MOC), "Support small businesses to develop the economy, society and serve the community and locality" (ESC) explaining 75.1% of the variation of the scale "Create jobs and income for the poor" (JIP); VIF = 1.826 ($1 < VIF < 2$), showing that regression model has no multi-linear phenomenon; Durbin-Watson = 2.112 ($1 < D < 3$), showing that regression model has no relevant phenomenon, affirming the scale of "Support small businesses to develop management, operational capacity and labor attraction" (MOC), "Support small businesses to develop the economy, society and serve the community and locality" (ESC) with independent properties and have the same effect the scale "Create jobs and income for the poor" (JIP), confirming the suitability of theoretical research model with survey data sets.

+ The regression coefficients of the two independent variables "Support small businesses to develop management, operational capacity and labor attraction" (MOC), "Support small businesses to develop the economy, society and serve the community and locality" (ESC) are both statistically significant Sig. = 0.000 (Sig. < 0.05) and have positive values: B(MOC) = 0.584 and B(ESC) = 0.431, confirming the positive relationship between the two independent variables "Support small businesses to develop management, operational capacity and labor attraction" (MOC), "Support small businesses to develop the economy, society and serve the community and locality" (ESC) and 01 dependent variable "Create jobs and income for the poor" (JIP); hypotheses H1, H2 are accepted; the initial research model continues to be confirmed for its suitability.

Based on the generalized regression model of Hair, J.F. et al. (2009): $Y = B_0 + B_1 \cdot X_1 + B_2 \cdot X_2 + \dots + B_i \cdot X_i$, the author determined the multivariate regression model of this study as follows:

$$JIP = 1.192 + 0.584 \cdot MOC + 0.431 \cdot ESC$$

Based on the standardized regression coefficient (Beta), it can be seen that the correlation level of the independent variables and the dependent variables in increasing order is: “Support small businesses to develop management, operational capacity and labor attraction” (MOC) and “Support small businesses to develop the economy, society and serve the community and locality” (ESC). That contributes to further affirming the results of empirical research in Vietnam: Supporting the development of small businesses is an important and effective policy measure for the economic and social development of the country and locality. In Vietnam today, small businesses account for a large proportion and the majority in the business system of countries: Small and medium-sized enterprises account for 96% (Huyen, V.T.T. et al., 2024). When small businesses are supported to develop, they will attract local workers, create jobs and income for workers, especially for the poor, contributing to improving living conditions and reducing income inequality. On the other hand, small businesses that are supported to develop will not only create jobs but also stimulate supporting industries, improve infrastructure and contribute to local budgets. In order to successfully implement the strategic goals of economic and social development of the country and localities, many synchronous policy solutions from the Government and local authorities are needed, specifically:

- Firstly, the Government and localities study and develop policies to support the development of large enterprises and small enterprises operating in the value chain. Accordingly, large enterprises are built and promoted to develop to spread and attract the development of domestic small enterprises operating in the value chain to complement each other, forming a system of sustainable business development in each specific field.

- Second, the Government and localities focus on promoting business development linkages: Connecting domestic small businesses with multinational companies based in Vietnam to introduce supplier development programs, aiming to improve the capacity of small businesses. From here, small businesses have the conditions to develop and gradually meet international standards; improve the existing supplier database to facilitate linkages between multinational companies and domestic suppliers.

- Third, the Government and localities need to promote the linkage of small businesses by region and economic zone. Developing small business clusters by region will help take advantage of each region and industry and maximize the combined strength. To implement this solution, it is necessary to plan specialized production areas, support infrastructure, and connect small businesses together to create a strong domestic value chain.

- Fourth, the Government and localities should implement policies to support the improvement of management capacity and support small businesses in accessing technology and capital. The Government should have policies to support business management training, improve financial management skills, supply chain management and business strategy for small businesses. In addition, policies to support small businesses in accessing modern technology, innovating production processes and applying digital business models are also important factors to improve competitiveness in the digital economy era.

- Fifth, the Government needs to have policies to encourage households and small-scale production and business households to transform their operating models towards establishing formal business enterprises, thereby helping them benefit from preferential policies on finance, tax and training, helping them to expand their scale, access larger markets and contribute more to the economy.

Sustainable development of small businesses requires a synchronous policy system from the Government and close coordination among stakeholders. Through solutions such as developing value chains, promoting links with large enterprises and multinational companies, building business clusters, improving management capacity and financial support, small businesses will have conditions to develop more strongly, contributing to promoting economic growth and creating sustainable jobs.

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