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A Proposal for the Revival of the Vietnamese Economy through the Usage of an Economic Mechanism: Government Backed Venture Capital

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Abstract

Is it possible for the government's public investment sector to have a venture capital subsidiary? This paper is meant to explore the feasibility of this policy idea. The intent of this research is to explore possible options to make it feasible for the government to have a venture capital subsidiary. This is a particularly potent policy for low GDP economies to stimulate their growth. This paper also explores the interconnectedness between financial policies dealing with governmental investments in startups and economic growth.

Subject Areas

Business Finance and Investment, Managerial Economics

Keywords

Venture Capital, Government Venture Capital, Development of Vietnam's Economy, Development, Vietnam

1. Introduction

Venture capital is a form of private equity financing that is provided by venture capital firms or funds to startups, early-stage, and emerging companies that have been deemed to have high growth potential or which have demonstrated high growth.

In Vietnam, small and medium enterprises (SMEs) account for 98% of total enterprises, 40% of GDP and 50% of employment (according to the Ministry of Finance of Vietnam). Innovative Startups are enterprises creating innovative

products to promote local economic development.

A recession is often a time of comprehensive restructuring to make the economy stronger and more resilient. In fact, even though business registrations often drop during a recession, many innovative startups are still successful, and some are thriving today like: Dropbox, Uber, Airbnb, WhatsApp, Groupon, and Pinterest; these companies were all established during or only after the global financial crisis. Most notably, Alibaba's Taobao was established in the midst of a recession and the SARS outbreak in China in 2003.

The Covid pandemic is also an opportunity for innovative startups to boost the local economy. Therefore, it can be said that venture capital is an important factor to stimulate economic growth.

Startups raise awareness and growing interest in both science and business. Their development brings numerous advantages for the whole economy, in regional, national and world economies. Development of new enterprises provides an opportunity for improvements in the national economies, especially the growth of the regions' innovativeness. When enterprises form, new jobs will be created thus increasing household incomes and contributing to economic growth on a local and national level. Startups are undeniably a great resource for low GDP countries to stimulate growth. Startups involving mainly nanotechnologies, biotechnology, computer science, and telecommunications increase the innovativeness of the economy. Consequently, startups serve as a great mechanism for boosting economic growth and societal advancement. Startups have more options with venture capital. If startups get venture capital funding, it means it has strong potential for fast growth and profitability. Besides capital, startups also have some other benefits: the business experience and contacts of your venture capital fund can help you grow.

This paper will first provide a literature review on the interconnectedness between financial policies dealing with venture capital, foreign direct investment, and economic growth. Next, various economic prediction models are introduced to illustrate the possible effect of venture capital on GDP. The paper will continue with an introduction to the current status of venture capitalism, SMEs, and startups in Vietnam. This is followed by an analysis of a working government backed venture capital investment in China and how Vietnam can use that as an example. Finally, this paper will address the current status of Vietnam's financial policies with respect to its current approach to startups and SMEs along with proposals on how to possibly proceed forward with equitable and fair financial policies that could potentially boost its current agricultural and export sectors and posit Vietnam in a good economic spot post-Covid pandemic.

2. Relationship between Venture Capital, Economic Growth, Foreign Direct Investment

Venture capitalism is a mechanism often used to help the economy develop and to create many changes in the development of economic policies to strengthen the economy. In this situation, venture capitalism can spur the growth of the

economy. So why doesn't the government have policies and plans to use public money in the form of venture capital to stimulate the economy? Venture capitalism is a factor highlighted by researchers, analysts and policy makers to be an important underlying determinant for economic growth [1] [2].

Bygrave and Timmons [3] researched the activities of 464 venture capital firms and found that venture capitalism is crucial for stimulating innovative firms. The results indicated that the most important part of venture capitalism is the knowledge, know-how, networks and experience the investors themselves hold rather than the actual capital itself. The role of a venture capital firm is more management-intensive than expected; the entrepreneurs themselves have been found to seek out the venture capital firms with the best reputation and value-added contributions in a non-monetary perspective, and inversely, these renowned venture capital firms could pick and choose the most promising firms with the best innovative capacity. Bygrave and Timmons concluded that venture capitalism helped increase innovation thereby stimulating economic growth [3] [4].

Samila and Sorenson [5] argued that creating a positive relationship between venture capital firms, entrepreneurship, and economic growth rests on two assumptions: venture capital-funded firms would not come into existence without venture capital, and that the employees of these venture capital funded firms are creating more value for the economy in these firms than in firms not funded by venture capital [5]. Certain economic growth is evidence of a positive impact of venture capital at the firm-level [6] [7]. Samila and Sorenson also argued that venture capital firms allocate their funds to the seemingly best startups that use the funds as a substitute for the next best funding alternative. The results of the study showed that venture capital activities impacted the startup activity positively and stimulated more startups than actually funded. The increase in venture activities also led to an increase in the number of jobs and aggregate household income. Thus, they contributed to the overall macroeconomic development [5].

As these firms represent the basis of entrepreneurial activity, Pottelsberghe and Romain (2004) argued that venture capital can be considered a determinant for economic growth [8].

Pottelsberghe and Romain treated venture capital as an additional source of knowledge that is inserted to a knowledge production function to investigate the assumption of venture capital as a determinant for economic growth. With total factor productivity (TFP) as the dependent variable they were able to estimate the effect of venture capital on economic growth through the spillover effects from venture capital. They excluded the direct effect on private return, which would have been included in the GDP, and also reflected in the calculations of the TFP as they were included in the economy's stock of capital and pool of labor. The results confirmed their assumption that venture capital impacted the economic growth positively through knowledge stimulating innovation and the introduction of new products and processes on the market [8].

Furthermore, innovation was found to be an inherent determinant for the success of firms as well as economic growth. Romer's model of endogenous growth suggests technological innovation contributes to economic growth. The model focuses on the distinction between objects and ideas, stipulating that output requires knowledge and labor. The production function suggests constant returns to scale in objects alone, but increasing returns in objects and ideas. The labor input is divided into workers producing output and workers producing ideas, which differs from the Solow model where ideas are not taken into account. Pottelsberghe and Romain used the theoretical model of Baumol [9] on entrepreneurial activity as a factor partly explaining the "unexplained" economic growth. In the model, they assumed that venture capital is used as a proxy for entrepreneurial activity. Pottelsberghe and Romain further assumed that venture capital is similar to research and development. This would correspond to innovation, which is the most prominent part in younger firms and startups. Studies within the research field of venture capitalism have addressed and hypothesized about its impact on the economy and its ecosystem for decades with different approaches and assumptions [8]. Thus, venture capitalism assumes an important underlying determinant for economic growth.

Elsiefy Elsayed (2013) analyzed the role of venture capital in the Egypt economy, using secondary data which was collected from a World Bank database covering the period between 1980 to 2010 [10]. Elsayed used the Multivariate Regression and Granger Causality Model to analyze the data and found that there was a positive relationship between venture capital, GDP per capita, Government expenditure and labor participation rate [10].

Kumari Jyotsna (2013) researched the trends of venture capital and private equity investments in India, impact of FDI and GDP on the venture capital investment using data from 2000 to 2012 and found that the impact of FDI on venture capital investment was more compared to the impact of GDP [11].

Ptacek *et al.* (2015) researched the impact of venture capital and private equity investment on the foreign direct investment (FDI). They used data from the European Venture Capital Association during the period from 2007 to 2013. They found that imperfect information and legislative barriers were the main factors, negatively affecting private equity and venture capital investment. Further, the results of the study suggested that Czech Republic should improve and need to make more favorable conditions for the FDI inflow and private equity and venture capital industry [12].

The new investee firms have given a significant contribution to increase the growth rate of a country. This literature reviews the relationship and impact of Gross Domestic Product (GDP) and Foreign Direct Investment (FDI) on venture capital and private equity investment and found that Foreign Direct Investment (FDI) positively affects venture capital and private equity investment. The venture capital sector also has numerous challenges and threats like exit problems, legislation problems, and tax related problems. Further, it is also suggested that tax and security laws should be simplified and made liberal which

will help the venture capital funds in mobilization of capital in this literature review.

3. Economic Prediction Model

Model 1

The dependent variable is venture capital and private equity investment and independent variables taken are FDI and GDP. The regression equation of the study formulated is as under:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + e \tag{1}$$

where Y = Dependent variable {Venture Capital and Private Equity Investment};

X_1 = Predictor variable {Foreign Direct Investment (FDI)};

X_2 = Predictor variable {Gross Domestic Product (GDP)};

e = Residual Error.

Model 2

The model constructed the effects of venture capital on the growth of SMEs. According Du, Junjuan, and Zheng-Qun Cai (2020): among dependent variables, the technological innovation ability of SMEs is reflected by the variables R & D investment intensity (RDINV). The profitability of SMEs is reflected by the operating profit margin (OPGR) and the rate of return on net assets (NAIR). To evaluate the development ability of SMEs, they choose two variables of the operating income growth rate (OIGR) and the growth rate of total assets (TAGR). Finally, the solvency of SMEs is reflected by the cash flow ratio (CASHCL) and the current ratio (CR). The independent variables are a mix of categorical and continuous variables. The independent variable is represented by DumVC, DumVC1, DumVC2, DumVC3, and DumVC4. Among independent variables, the variable DumVC reflects the context of venture capital and the variables DumVC1, DumVC2, DumVC3, and DumVC4 reflect the degree of participation of venture capital in SMEs [13].

$$\begin{aligned} y_i &= \alpha_{01} + \alpha_{1i}\text{DumVC} + \alpha_{2i}\text{TA} + \alpha_{3i}\text{ALR} + \alpha_{4i}\text{Zindex} + \alpha_{5i}\text{Time} + \varepsilon_i \\ y_i &= \beta_{0i} + \beta_{1i}\text{DumVC1} + \beta_{2i}\text{DumVC2} + \beta_{3i}\text{DumVC3} + \beta_{4i}\text{DumVC4} \\ &\quad + \beta_{5i}\text{TA} + \beta_{6i}\text{ALR} + \beta_{7i}\text{Zindex} + \beta_{8i}\text{Time} + \varepsilon_i \end{aligned} \tag{2}$$

where ($y = 1, 2, \cdots, 7$) represents the dependent variables, including R & D input intensity, operating profit margin, rate of return on net assets, operating income growth rate, growth rate of total assets, cash flow ratio, and current ratio; α_0, β_0, and λ_0 are the intercept of models; $\alpha_i \left(i = 1, 2, \cdots, 12\right)$ and $\beta_i \left(i = 1, 2, \cdots, 12\right)$ are the coefficients of models; and ε_i are the random error terms.

Model 3

Government venture capital also is venture capital so (1) formular can write:

$$\text{GVC} = \beta_0 + \beta_1 \text{FDI} + \beta_2 X_2 \text{GDP} + \beta_3 M + e$$

where GVC: Governmental venture capital.

FDI: Foreign Direct Investment.

GDP: Gross Domestic Product.

M: City funding hierarchy (1 = directly funded by the central government and 0 = funded under regional/provincial government).

e = Residual Error.

Model 2 become

$$y_i = \beta_{0i} + \beta_{1i}\text{DumVC1} + \beta_{2i}\text{DumVC2} + \beta_{3i}\text{DumVC3} + \beta_{4i}\text{DumVC4} + \beta_{5i}\text{TA} + \beta_{6i}\text{ALR} + \beta_{7i}\text{Zindex} + \beta_{8i}\text{Time} + \varepsilon_i$$

The independent variables are a mix of categorical and continuous variables. The independent variable is represented by Dum GVC, Dum GVC1, DumGVC2, DumGVC3, and DumGVC4. Among independent variables, the variable DumVC reflects the context of venture capital and the variables DumGVC1, DumGVC2, DumGVC3, and DumGVC4 reflect the degree of participation of government venture capital in SMEs.

Through the above models, it is illustrated that venture capital has an effect on GDP, FDI, the development of startups, and SMEs. This is further confirmed by the results of research from Manigart, Sophie, and Harry Sapienza [14] and Jeong, Jihye, *et al.* [15]. Hence, there exists a correlation between GVC and SMEs as well as economic growth and startups.

4. Challenges of Venture Capital, Startups, and SMEs in Vietnam

Foreign investors have played a major role in funding Vietnamese startups. To encourage entrepreneurship, the Vietnamese government has established a number of funds at State and provincial/city level to support startups. Startups build on two key economic features of a startup: innovation and capacity to scale.

Domestic corporations are urged to invest more in Vietnamese startups, innovative startups in Vietnam mostly rely on their owners' self-support and foreign resources. But domestic resources, though abundant, have not been unleashed in Vietnam. Startups in Vietnam have a lot of potential as well as development opportunities. However, startups and SMEs still face many difficulties in accessing financial resources. Furthermore, a significant limitation of Vietnamese businesses is rooted in the lack of business skills as well as startup skills. Research and development (R & D) capabilities are limited, and the country's innovation system is still in its infancy. Although there is support from the government, the investment is uneven; it is difficult to access government financial resources, and administrative procedures are cumbersome.

Major challenges facing the startup community in Vietnam is the lack of a talented workforce, funding, lack of scale, and slow regulatory reforms. In addition to financial support through funds and preferential loans, the government needs to increase investments in training and education to build a skilled workforce. It also needs to continue with its regulatory reforms, as this will lead to a friendly business environment for investors and developers.

5. Governmental Venture Capital (GVC)

Governmental venture capital (GVC) is a government-owned investment mechanism that is structured like a venture capital (VC) fund. GVC funds have been created in many countries; GVC funds are also important to develop the economy, including the US, China, Canada, Europe. They have a mandate to close the gap left by private venture capital (PVC) in funding innovative start-ups, to promote the creation of new jobs, and to foster local development [16].

GVC may alter the venture capital ecosystem not only by stimulating PVC investments but also by inducing PVC investors to target different companies [17] [18]. Kovner and Lerner [19] showed that the presence of community development venture capital—a type of venture capital that has objectives similar to those of GVC—increases PVC investors' propensity to invest in underserved regions. GVC invests in companies which is different compared to PVC's typical targets which tends to be smaller in size and in earlier stages of development, in industries with longer time to market and more severe information asymmetries, and in more economically disadvantaged regions because of its political mandate [19] [20] [21].

Using the theoretical lenses of organizational ecology to examine how GVC's density influences PVC investors' investment behavior in a venture capital ecosystem, Bertoni *et al.* [22] argued that GVC is a different species from PVC because of GVC's political objectives and distinct dominant competencies. Furthermore, GVC occupies a different niche from PVC. They found that GVC and PVC behave as organizational species in a mutualistic relationship. GVC establish mutualistic relationships with PVC, thus attracting PVC investors to companies they would otherwise neglect because of informational opaqueness, excessive investment risk, and peripheral location. However, even PVC investors that do not syndicate with GVC are more likely to invest in less-competitive regions and smaller companies when GVC's density is greater. They found the impact of the GVC programs that have been set up by governments of several countries with the aim of closing the funding gap left by PVC.

6. Government Venture Capital in China

China used government-backed venture capital as a policy instrument. China started economic reform in the late 1970s, the capital markets were significantly underdeveloped. The Chinese government realized the importance of venture capital. In China the development of GVCs over the last three decades can be divided into three phases: first phase (1985-2006) was the experimental period; second phase (2007-2013) was a period of widespread adoption of GVC; third phase (2014 onwards) marks the resurgence of GVC activity.

The first phase, beginning government-managed venture capitalism at both the central and local government levels, experiments later spilled over to local governments. Local governments were encouraged to use government managed venture capital funds as a new policy instrument for financing high-tech devel-

opment zones-based high-tech firms. The results were the central government-managed Innovation Fund for Small Technology-based Firms (Inno Fund) in 1999. Inno Fund was and still is used to support capital for leveraging local governments, large firms, and financial institutions to invest more in technology-based SMEs. Its funding mechanisms ranged from grants to loan-interest subsidies. The first phase led to a consensus that GVC could be a desirable vehicle to leverage capital from wide sources to invest in the priority areas of national strategic importance. In November 2005, the State Council's release of the "Provisions of Management of Venture Capital Firms" that for the first time identified GVCs—dubbed "venture capital guiding funds"—as a desirable form of government intervention in the venture capital markets, a shift from government-managed venture capital to government-sponsored venture capital. In 2002, China's first government guiding fund—Zhong guan cun Science Park Venture Capital Guiding Fund—was established. China's government guiding funds have gone through several important stages of initial exploration, gradual development, blowout development, and steady development, established government guiding funds based on governments at all levels to help SMEs solve funding problems.

In the second phase, the Ministry of Finance (MOF) and Missions of the Ministry of Science and Technology (MOST) co-issued a policy titled the "Provisions of Management of the Venture Capital Guiding Fund for High-tech SMEs" prepared for the launch of a super-size GVC fund. MOF and the State Administration of Taxation jointly issued the "Notice on Taxation Policy in Support of VC Firms" for the tax relief and tax liabilities of PVC firms. MOF also joined forces with MOST to launch a state-level GVC fund "Venture Capital Guiding Fund" for Technology based SMEs. They affect local governments, giving rise to a wave of activity of GVCs across the country.

In the third phase, the government started an overhaul of legislation to ease red tape for businesses and to lessen market intervention. In 2014, the State Council released its "Notice on Streamlining and Formalizing Preferential Tax Policies" removing the power of local governments to use localized tax incentives for luring inward investment. It created a new wave of GVC activity in 2014 in which local governments used GVCs as an alternative way of fundraising and investment. At the central government level, the Government announced in January 2015 the launch of a new super-size GVC fund.

Vietnam economic policies toward startups, SMEs, and conception of a government backed venture capital sector are still in their infancy. The history of China's evolution in economic policies regarding government backed venture capital could serve as Vietnam's guiding post.

China's rapid development is a combination of many factors, but it is impossible not to mention the Government venture capital. Vietnam and China are both socio-political and mainly have a lot in common in socio-politics. As such, Vietnam can learn a lot from China when it comes to policies to support startups as well as steps to create a government backed venture capital sector.

7. Venture Capital and Government in Vietnam

Most research shows that governments have an important role as catalysts in the vivid entrepreneurial systems [23] [24]. The direct effects of venture capital on invested firms are diverse, depending on the geographical location and the maturity of industry. In more developed entrepreneurial ecosystems, venture capital is able to create value in terms of innovation and growth, while in less developed regions, venture capital has a meager impact and invested firms, in many cases, underperform compared to their non-venture capital backed peers. Venture capital is embedded into the entrepreneurial systems and the number and quality of young and innovative firms limit the effectiveness of investments both in the cases of private and government backed venture capital. The conclusion shows that, without a proper institutional environment, young and innovative firms cannot flourish. Therefore, in the developing ecosystems, indirect government agendas prelude direct interventions.

In 2008, the global financial crisis and the increasing funding problems of small and medium size enterprises (SMEs) and the young and innovative firms led to a more extensive involvement in the venture capital markets of Europe. Prior to the crisis, the amount of capital allocated into the venture capital industry in Europe by government agencies was relatively low (less than 10% of the total capital raised). However, in the past decade, the proportion of incremental capital raised by government agencies moved between 20% and 30% on average (Invest Europe 2016, 2019). Fazekas *et al.* [25] used the theory of organizational ecology to study how governmental venture capital (GVC) affected the investment behavior of private venture capital (PVC). The researchers analyzed the data from 1239 private venture capital investments in Europe and found that the greater the presence of governmental venture capital in a venture capital ecosystem, the more private venture capital investors would be attracted toward governmental venture capital's niche. The targeted firms of GVC are the young and innovative enterprises; its model relies on different motives; the economic policy national overwrites the profit maximizing behavior. PVCs is the private interest that drives them in creating and managing their portfolios. The economic policy-related decisions of GVCs are not consistent, therefore the number of syndicated investments is relatively low. This inconsistency of goals hinders the efficient selection of firms. So there needs to be cooperation between PVC and GVC. General partners of GVCs are less experienced and less efficient in the identification of viable investment targets [25] [26] so Government venture capital needs to cooperate with private venture capital [17].

The diffusion of Venture capital policies has been happening globally, including across the Southeast Asian states of Malaysia, Indonesia and Thailand. Late developers, such as Vietnam and its Southeast Asian peers, are examining these various paths and adapting the strategies to their domestic contexts. In Vietnam, the growth of high-technology SME activity and its contribution to the Vietnamese economy has led to the state's interest in SME financing, but has not

propelled equity-based policies. Vietnam's normative bias towards credit-based schemes, limited policymaking capacity (especially in complex arenas), and donors' continued promotion of the use of loans for SME financial support have combined to shape the credit-financing nature of venture capital policies in Vietnam.

The government plays an important role in promoting venture capital to help startups grow smoothly thereby contributing to economic growth. This is shown very clearly through the implementation of "Project 844" or "Project to support the national innovation startup system by 2025" by the Ministry of Science and Technology in May 2016 leading up to present time. The project is aimed at startups through legal regulations, training development, and improving development capacity. After the project was conceived, Vietnam's startup ecosystem is constantly developing and becoming "a hot spot" for venture investment in the region. These support schemes contribute to the development of Vietnam's startup ecosystem, but they are not enough. The current venture capital market with a large majority of venture capitalists is investing in the technology fields. However, for an agricultural country like Vietnam, technology is an important field, but it is impossible to forget about industries that support agriculture such as agricultural products companies. Therefore, policies are needed from the State's public financial source to create financial resources for startups in these fields. This does not mean that the state protects agricultural companies in Vietnam.

The Vietnamese government has established a number of funds at State and provincial/city level to support startups. Business Startup Support Center with a total capital of 30 billion VND is funded by the Vietnam Youth Union in Ho Chi Minh City, managed by HCM. The Fund is run by the Youth Entrepreneurship Support Center. The main purpose of the Fund is to encourage entrepreneurship and promote the aspiration to get rich for young people, through capital solutions for young people to do business. Ho Nghinh Science and Technology Innovation Fund was established under Decision No. 8035/QD-UB dated October 22, 2009 of the City People's Committee. The Foundation is a member of the City Union of Science and Technology Associations, operating on the principle of conservation and development of capital. This is a fund that works according to the wishes of comrade Ho Nghinh, the late Secretary of the Quang Nam-Da Nang Provincial Party Committee, and the amount of 1 billion VND that he left behind to add to this fund before his death. We can see that the start-up support funds of the Vietnamese government are mainly established in the provinces directly under the Central Government such as Da Nang, Ho Chi Minh, and Hanoi. Besides, the amount of capital of the funds is very small, so it does not bring enough financial resources for startups.

The direction is for the Public Finance Bureau to create a separate department in the finance department as a separate venture capital company to strictly provide these startups with funding and with no other benefits. Instead of seeking venture capital from private funds, startups can look for funding from the gov-

ernment venture capital department. In recent years, Vietnam has become an emerging regional startup hub. The government of Vietnam has also introduced new regulations to pave the way for the development of startups in Vietnam. However, Vietnam does not currently have a source of government venture capital. Therefore, the establishment and operation of GVCs is essential today. It is a powerful mechanism for the Government to promote economic growth in Vietnam, as most of the private venture capital firms are now investing in the high-tech sector.

Referring to Vietnam, we will immediately think of a country that exports agricultural and seafood products. Vietnam is an agricultural country specializing in exporting agricultural and fishery products and is a place to process products for developed countries. However, the processing or export of agricultural products in Vietnam today depends a lot on the third country. Taking a typical example that exists in Vietnam today, the export of agricultural products to China is being affected. Affected by the Covid-19 pandemic, men are used to exporting agricultural products by road. Once Covid-19 in China gets worse, China will close these border gates, leading to a series of Vietnamese agricultural products not being exported. Therefore, Vietnam's agricultural product industry needs a large amount of capital to improve the quality of agricultural products, develop sources of large enough companies to improve Vietnam's export position. So that Vietnam is no longer dependent on one market. Nevertheless, Vietnam also needs capital in other sectors besides the high-tech sector. This is also an economic policy to revive industries after the Covid-19 pandemic, creating capital for startups to add a new channel to receive capital.

8. Conclusions

Venture capital has an important role to play in making a country grow, the obvious example being China. However, it is clear that venture capital is not enough for economic sectors to develop; it requires coordination to create an ecological environment for venture capital, and most importantly, the establishment and operation of venture capital funds from the government. Currently, Vietnam hasn't perfected the mechanism and regulations to oversee venture capital investment firms, and has not yet established a government based venture capital fund. This paper outlined the importance of venture capital as well as GVC, evidence of China's GVC which is one of the factors that bring about China's rapid development.

Vietnam is undeniably in a bright spot that venture capitalists are aiming for in the region. However, Vietnam also needs capital start-up projects related to areas that PVCs are very little or afraid to invest in, for example projects related to agriculture. Therefore, there is a need for investment from GVCs to bring Vietnam's agriculture in a new direction. GVC's source of funding can be garnered from public debt, but the operation of this fund is separate from state agencies to avoid protection for these startups and allow for fair and transparent competition.

The article has many shortcomings in making recommendations to create a government venture capital fund in Vietnam. For future considerations, more data on public perceptions and willingness to accept government backed venture capital investment would be needed to better create public financial policies.

Conflicts of Interest

The author declares no conflicts of interest.

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