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YOUTH ENTREPRENEURIAL INTENTION: KEY DRIVERS AND POLICY RECOMMENDATIONS FROM HO CHI MINH CITY- VIETNAM

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ABSTRACT

This study aims to identify key factors influencing youth entrepreneurial intention in Ho Chi Minh City and provide policy suggestions to promote youth entrepreneurship. Based on the Theory of Planned Behavior and related models, the research employed quantitative methods with data collected from 400 young people aged 16–30. The findings reveal that financial resources, prior experience, education, self-confidence, social environment, government policies, and personal traits significantly affect entrepreneurial intention. Among these, education and self-confidence showed the strongest influence. The study concludes that education and self-confidence are the strongest drivers of youth entrepreneurial intention in Ho Chi Minh City. Strengthening education and mentorship can empower young people to pursue entrepreneurship and support Vietnam's economic growth.

Keywords: entrepreneurial intention, youth entrepreneurship, influencing factors, Ho Chi Minh City, startup policy, TPB.

INTRODUCTION

Entrepreneurship is widely recognized as a key driver of economic growth, innovation, and social progress. It is especially important in developing countries like Vietnam, where a vibrant entrepreneurial ecosystem can address issues such as youth unemployment, regional inequality, and low labor productivity. Among the various segments of the population, youth are often viewed as the most dynamic and creative force, capable of transforming economies through new ideas and ventures. In this context, promoting youth entrepreneurship is not just an economic imperative but a strategic priority for sustainable development.

Ho Chi Minh City, as Vietnam's leading economic and innovation hub, is home to more than 2.35 million young people aged 16 to 30. This demographic represents a significant potential for entrepreneurship. However, despite various government-led initiatives such as training programs, startup competitions, and access to funding, the rate of successful youth-led startups remains relatively low. Many young individuals still hesitate to embark on entrepreneurial ventures due to perceived risks, lack of experience, inadequate financial resources, and unclear support mechanisms.

This paper aims to investigate the factors that influence entrepreneurial intention among the youth in Ho Chi Minh City. Grounded in the Theory of Planned Behavior (TPB) proposed by Ajzen (1991), the research integrates psychological constructs with external conditions to understand how intentions are formed and what barriers exist. The study specifically examines seven factors: access to capital, prior entrepreneurial experience, education, self-confidence, social environment, government policies, and personal traits.

Understanding these factors is crucial not only for academic knowledge but also for practical applications. Policymakers, Educators, and youth organizations can use the findings to design interventions that address real needs and empower young people to become job creators rather than job seekers. Furthermore, this study fills an important gap in Vietnamese entrepreneurship literature, which has predominantly focused on university students and overlooked the broader youth population.

The contribution of this research is twofold. Theoretically, it tests and extends the TPB framework in a Vietnamese urban context, providing empirical evidence on how well Western models apply in Southeast Asian cultures. Practically, it offers actionable policy recommendations tailored to the specific needs of youth in Ho Chi Minh City. By shedding light on the psychological and contextual enablers of entrepreneurial intention, the paper aims to support the design of holistic strategies for fostering youth entrepreneurship. As Vietnam continues its transformation into a knowledge-based economy, unlocking the entrepreneurial potential of its youth is more important than ever.

THEORETICAL BACKGROUND.

Entrepreneurial intention (EI) is defined as a person's conscious state of mind that directs attention, experience, and behavior toward planned entrepreneurial activities. The most influential model explaining EI is Ajzen's Theory of Planned Behavior (TPB), which suggests that intention is the immediate antecedent of behavior and is influenced by three components: attitude toward the behavior, subjective norms, and perceived behavioral control. This model has been widely validated in various cultural contexts and continues to serve as a robust framework for studying entrepreneurship.

Ajzen (1991) posited that an individual's attitude towards entrepreneurship (i.e., perceived desirability), the social pressure they feel (subjective norms), and their confidence in their ability to succeed (perceived behavioral control) are key determinants of entrepreneurial intention. Kolvereid (1996) applied TPB to entrepreneurship and found that all three components significantly influenced intention. These findings were supported by Miranda *et al.,* (2017), who tested

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the model with university students in Spain and confirmed the critical role of attitude and perceived control.

Driessen and Zwart (2006) took a different approach by focusing on personal characteristics. They developed a model involving ten traits including need for achievement, risk-taking, creativity, and self-confidence, all of which were found to influence entrepreneurial intention. This model has since been validated in several studies and is often used alongside TPB to enrich the understanding of entrepreneurial behavior.

Sesen (2013) contributed by exploring the external environment, identifying business information, university support, and social relationships as significant influences. In a similar vein, Ojiaku *et al.,* (2018) introduced the Push-Pull-Mooring (PPM) model, where push factors (e.g., unemployment), pull factors (e.g., opportunity recognition), and mooring variables (e.g., government support, perceived feasibility) interact to shape entrepreneurial intention. Their study, conducted in Nigeria, highlighted the importance of institutional and policy-related variables.

Despite the valuable insights provided by these studies, several gaps remain. First, there is a lack of focus on non-student youth populations in Vietnam. This is a critical oversight considering that many young people enter the workforce without attending college and face different challenges. Second, existing studies often examine internal psychological factors or external environmental variables in isolation, rather than integrating both.

This study attempts to bridge these gaps by incorporating seven key variables into a comprehensive model: access to capital, prior entrepreneurial experience, education, self-confidence, social environment, government policies, and personal traits. These variables are selected based on their frequency in previous studies and their relevance in the Vietnamese context. For instance, access to capital has been repeatedly cited as a barrier to entrepreneurship among Vietnamese youth (Le Quang, 2018; Hoang, 2020). Similarly, the lack of government support or complicated regulations has been a persistent complaint among startup founders (VCCI, 2023).

The integrated model aims to provide a more holistic view of entrepreneurial intention by considering both individual-level and contextual factors. It is particularly suitable for application in transitional economies like Vietnam, where institutional frameworks are still evolving, and cultural norms may differ from Western contexts. By doing so, the study not only tests established theories but also contributes to theory-building in emerging markets.

Based on the review of literature and theoretical foundation of the Theory of Planned Behavior, this study proposes the following hypotheses:

H1: Access to capital positively influences the entrepreneurial intention of youth in Ho Chi Minh City.

H2: Prior entrepreneurial experience positively influences the entrepreneurial intention of youth.

H3: Education has a positive effect on the entrepreneurial intention of youth.

H4: Self-confidence significantly enhances the entrepreneurial intention among youth.

H5: Social environment positively contributes to the formation of entrepreneurial intention.

H6: Government support policies positively influence youth entrepreneurial intention.

H7: Personal traits such as creativity, resilience, and risk-taking positively affect entrepreneurial intention.

These hypotheses guide empirical analysis and serve as a foundation for testing the influence of individual and contextual factors on entrepreneurial intention.

METHODOLOGY

The study employed quantitative research design using survey methodology to collect and analyze primary data. The target population comprised young individuals aged 16 to 30 residing in Ho Chi Minh City, who had not yet started a business but expressed an intention to do so. The sampling technique used was convenience sampling due to the accessibility of participants, and a total of 400 valid responses were collected.

The research instrument was a structured questionnaire based on validated constructs from existing literature, particularly those grounded in the TPB and related models. The questionnaire consisted of three parts: demographic information, measurement items for independent variables, and measurement items for entrepreneurial intention. All items were rated using a 5-point Likert scale, ranging from 1 (strongly disagree) to 5 (strongly agree).

Seven independent variables were examined: access to capital, prior experience, education, self-confidence, social environment, government policy support, and personal traits. Each of these variables was measured using multi-item scales adapted from previous studies. For example, the education variable included items about participation in entrepreneurship training, while government policy included items related to access to startup funding and administrative ease.

To ensure the reliability and validity of the instrument, Cronbach's Alpha was used to test internal consistency. Values above 0.7 were considered acceptable. Exploratory Factor Analysis (EFA) was performed to assess construct validity and to refine the measurement model. Variables with factor loadings below 0.5 were removed.

For the analysis of relationships between variables, correlation analysis and multiple regression analysis were employed. The regression model was used to identify the extent to which the independent variables predict entrepreneurial intention. SPSS version 20.0 was used for all statistical procedures.

Ethical considerations were strictly followed. Participants were informed about the purpose of the study, and their responses were kept anonymous. Data collection was conducted between September and November 2024 through both online and face-to-face distribution of questionnaires.

This methodological approach was chosen to allow for a broad and statistically reliable understanding of the factors influencing youth entrepreneurial intention in an urban Vietnamese context.

RESEARCH RESULTS

Sample Description

The author distributed questionnaires to 400 young individuals with entrepreneurial intentions. A total of 381 responses were collected, including 198 from youth residing in districts and Thu Duc City, and 183 from university and college students. After cleaning the data and removing incomplete or invalid responses, 352 valid questionnaires remained for data analysis.

- Gender: Among the participants, 207 were male (58.8%) and 145 were female (41.2%).
- Age group: The survey focused on two age groups: 16–25 and 25–30 years old, representing youth who are either still in school or recent graduates—an ideal demographic to study entrepreneurial intention.
  - Ages 16–25: 46.1%
  - Ages 25–30: 53.9%
- Education level:
  - High school: 31.8%
  - Vocational and college level: 11.9%
  - University degree and above: 56.3%
- Occupation: Of the 352 valid respondents:
  - Students: 51.1%
  - Office workers: 3.1%
  - Freelancers: 9.1%
  - Self-employed/business owners: 32.7%
  - Factory workers: 2%
  - Farmers: 0.9%
  - Others: 1.1%
- Field of interest or business activity: Among the 352 valid responses, the most popular sectors were:
  - E-commerce: 53.4%
  - Services: 23%
  - Real estate: 9.9%
  - Technology: 6.5%
  - Others (including manufacturing, agriculture, finance, and arts):
- Monthly income:
  - Under 10 million VND: 38.1%
  - From 10–30 million VND: 37.5%
  - Above 30 million VND: 24.4%

Correlation Coefficient Assessment

In this study, the correlation coefficients between the dependent variable and each independent variable range from 0.238 to 0.631, indicating levels from weak to strong correlation. This suggests that, in the overall population, there is a linear relationship between the dependent variable (Entrepreneurial Intention) and the independent variables, which are the influencing factors on the entrepreneurial intention of youth in Ho Chi Minh City.

Correlation Coefficients between Variables in the Research Model

Correlations

		YĐ	NV	KN	TT	MT	GD	CS	CN
YĐ	Pearson Correlation	1	,403**	,295**	,446**	,238**	,631**	,455**	,241**
	Sig. (2-tailed)		,000	,000	,000	,000	,000	,000	,000
	N	352	352	352	352	352	352	352	352
NV	Pearson Correlation	,403**	1	,365**	,273**	,070	,324**	,211**	,095
	Sig. (2-tailed)	,000		,000	,000	,000	,000	,000	,000
	N	352	352	352	352	352	352	352	352
KN	Pearson Correlation	,295**	,365**	1	,266**	,001	,171**	,263**	,106*
	Sig. (2-tailed)	,000	,000		,000	,000	,000	,000	,000
	N	352	352	352	352	352	352	352	352
TT	Pearson Correlation	,446**	,273**	,266**	1	,209**	,376**	,301**	,111*
	Sig. (2-tailed)	,000	,000	,000		,000	,000	,000	,000
	N	352	352	352	352	352	352	352	352
MT	Pearson Correlation	,238**	,070	,001	,209**	1	,123*	,236**	,043
	Sig. (2-tailed)	,000	,000	,000	,000		,000	,000	,000
	N	352	352	352	352	352	352	352	352
GD	Pearson Correlation	,631**	,324**	,171**	,376**	,123*	1	,464**	,245**
	Sig. (2-tailed)	,000	,000	,001	,000	,021		,000	,000
	N	352	352	352	352	352	352	352	352
CS	Pearson Correlation	,455**	,211**	,263**	,301**	,236**	,464**	1	,084
	Sig. (2-tailed)	,000	,000	,000	,000	,000	,000		,000
	N	352	352	352	352	352	352	352	352
CN	Pearson Correlation	,241**	,095	,106*	,111*	,043	,245**	,084	1
	Sig. (2-tailed)	,000	,000	,000	,000	,000	,000	,000	
	N	352	352	352	352	352	352	352	352

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Regression Analysis

Coefficients [a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	-,815	,283		-2,881	,004		
	NV	,149	,043	,144	3,430	,001	,783	1,278
	KN	,126	,047	,114	2,710	,007	,776	1,289
	TT	,177	,051	,147	3,490	,001	,772	1,295
	MT	,135	,043	,124	3,174	,002	,905	1,105
	GD	,382	,043	,409	8,971	,000	,659	1,516
	CS	,122	,044	,121	2,765	,006	,711	1,406
	CN	,119	,039	,118	3,017	,003	,902	1,109

a. Dependent Variable: YĐ

From the table above, we can observe that among the seven variables included in the regression model:

- All seven variables are statistically significant with Sig. values less than 0.05.

Specifically:

- Capital (NV) has Sig. = 0.001
- Self-confidence (TT) has Sig. = 0.001
- Social Environment (MT) has Sig. = 0.002
- Education (GD) has Sig. = 0.000
- Personal Traits (CN) has Sig. = 0.003
- Experience (KN) has Sig. = 0.007
- Government and Local Support Policies (CS) has Sig. = 0.006

The multivariate regression equation is as follows:

YĐ = -0.815 + 0.149NV + 0.126KN + 0.177TT + 0.135MT + 0.382GD + 0.122CS + 0.119CN

Most of the regression coefficients (β) are positive, indicating that the factors in the model have a positive correlation with the entrepreneurial intention of youth. Specifically:

- Education has the largest standardized coefficient (+0.382), making it the strongest influencing factor on youth entrepreneurial intention in Ho Chi Minh City.
- Ranked second is Self-confidence with β = +0.177.
- Third is Capital with β = +0.149.
- Fourth is Social Environment with β = +0.135.
- Fifth is Experience with β = +0.126.
- Sixth is Government and Local Support Policies with β = +0.122.
- Lastly, Personal Traits has a standardized β of +0.119, still positively correlated with entrepreneurial intention.

CONCLUSION AND DISCUSSION

This study explored the determinants of entrepreneurial intention among youth in Ho Chi Minh City through a comprehensive model incorporating psychological, educational, financial, and policy-related variables. The findings provide strong empirical evidence that entrepreneurial intention is influenced by a combination of both individual characteristics and contextual enablers.

Among the seven studied variables, education and self-confidence were identified as the most significant predictors of entrepreneurial Intention. This suggests that when youth perceive themselves as capable and are equipped with relevant knowledge and skills, they are more likely to engage in entrepreneurial activities. Education not only improves business acumen but also fosters critical thinking and problem-solving skills necessary for navigating uncertain startup environments.

Self-confidence, closely linked with perceived behavioral control in TPB, plays a central role in determining whether an individual believes they can succeed in starting and running a business. Interventions that aim to enhance this trait—such as mentoring programs and startup simulations—can significantly boost entrepreneurial engagement.

Based on the findings of this study, education and self-confidence are the most influential factors shaping the entrepreneurial intention of young people in Ho Chi Minh City. To foster these elements on a national scale, the Vietnamese government is advised to consider the following targeted strategies:

Strengthening Entrepreneurship Education across All Levels

- Integrate entrepreneurship into national curricula: Introduce entrepreneurship as a formal subject in secondary schools, vocational institutions, and universities. Lessons should focus on critical thinking, problem-solving, business modeling, and financial literacy.
- Expand experiential learning opportunities: Encourage project-based learning, startup simulations, and student-run businesses to help youth gain real-world experience in managing resources, handling risks, and navigating uncertainty.
- Train the trainers: Provide specialized training for teachers and lecturers in entrepreneurship education, ensuring they can deliver practical and up-to-date knowledge and mentorship.
- Encourage cross-sector partnerships: Facilitate collaboration between educational institutions and the private sector (startups, SMEs, incubators) to bring entrepreneurship closer to students through internships, guest lectures, and mentorship programs.

Build Self-Confidence through Mentorship and Community Support

- Establish national and local mentorship networks: Develop programs that connect aspiring young entrepreneurs with successful business owners, both locally and internationally. Mentors can offer guidance, encouragement, and real-life examples of overcoming failure and achieving success.

- Promote early successes and role models: Use national media to highlight success stories of young Vietnamese entrepreneurs, especially those who overcame adversity. Representation can inspire confidence and normalize entrepreneurship as a career path.
- Incentivize participation in entrepreneurial challenges: Offer scholarships, seed funding, or recognition for young people who participate in startup contests, hackathons, or innovation fairs. These platforms not only test ideas but also build confidence through public presentation and feedback.
- Develop psychological support programs: Partner with youth organizations to provide workshops on resilience, growth mindset, and personal development, empowering youth to trust their abilities and take entrepreneurial risks.
- By aligning education reform with initiatives to boost psychological readiness, the Vietnamese government can unlock a new wave of capable, confident, and innovative young entrepreneurs ready to contribute to the country's socio-economic development.

In summary, this study found that education and self-confidence are the most influential factors driving entrepreneurial intention among youth in Ho Chi Minh City. Strengthening entrepreneurship education and building confidence through mentorship and community support are key strategies to foster youth-led startups.The study recommends that the Vietnamese government integrate entrepreneurship into curricula, promote experiential learning, and support national mentorship networks. These efforts will help develop a generation of capable and confident young entrepreneurs to contribute to Vietnam's economic development.

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