

## **BUILDING A START-UP ECOSYSTEM IN HO CHI MINH CITY, VIETNAM FOR SUSTAINABLE DEVELOPMENT**

### *CONSTRUÇÃO DE UM ECOSSISTEMA INICIAL NA CIDADE DE HO CHI MINH, VIETNAM PARA O DESENVOLVIMENTO SUSTENTÁVEL*

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#### **ABSTRACT**

Developing a start-up ecosystem, and creating a favorable environment to promote and support the process of forming and developing fast-growing businesses based on exploiting intellectual property, technology, and business models. New business model is an important direction of Vietnam and Ho Chi Minh City. This article studies the current situation and proposes some oriented solutions for the goal of perfecting the startup ecosystem in Ho Chi Minh City in the current integration conditions.

**Keywords:** Startup ecosystem; Sustainable development; Ho Chi Minh City; Vietnam.

**RESUMO**

Desenvolver um ecossistema inicial e criar um ambiente favorável para promover e apoiar o processo de formação e desenvolvimento de negócios de rápido crescimento baseados na exploração da propriedade intelectual, tecnologia e modelos de negócios. O novo modelo de negócios é uma importante direção do Vietnã e da cidade de Ho Chi Minh. Este artigo estuda a situação atual e propõe algumas soluções orientadas para o objetivo de aperfeiçoar o ecossistema inicial na cidade de Ho Chi Minh nas condições atuais de integração.

**Palavras-chave:** Ecossistema de partida; Desenvolvimento sustentável; Cidade de Ho Chi Minh; Vietnã.

## **Introdução**

Ho Chi Minh City is one of the two largest economic, cultural, educational, scientific, and technological centers of the country. In the process of international integration, Ho Chi Minh City has achieved great and comprehensive achievements in all aspects and fields. These achievements have not only turned Ho Chi Minh City into a civilized and modern city but also "importantly contributed to great achievements of historical significance, changing the face of the country" the city after 35 years of renovation, integration and development" (Ho Chi Minh City Party Committee, 2020, p. 76). That result comes from many reasons, and one of the reasons cannot be ignored, that is, Ho Chi Minh City has developed a startup ecosystem, creating a favorable environment to promote and support the process of formation and development of enterprises applying modern technology. In order to elevate the national creative startup ecosystem to help Ho Chi Minh City truly become the start-up center of the country, in the coming period, more breakthrough policies are needed in creating resources, the market for innovative start-ups, and promote international links and cooperation, and capacity building for domestic innovative startups. That is also the reason for the study.

## **Research methods**

In Vietnam, starting a business is still a relatively new issue. Therefore, research on career development and startup ecosystem is a direction that has recently received the attention of scientists. There have been studies under many social science perspectives from politics, philosophy, history, sociology, etc. In this study, the author applies dialectical materialism methodology with a historical perspective specific and comprehensive; systematic approach and inheriting research results of previous works to perfect the theoretical basis and evaluation.

In implementing the topic, a combination of interdisciplinary methods in social science research is used such as analytical, synthesis, systematic, historical-

logical methods, statistical methods, etc. comparison... to perform the tasks to achieve the research objectives set out.

## **Results and Discussion**

### THE STARTUP ECOSYSTEM AND THE ROLE OF THE STARTUP ECOSYSTEM FOR SUSTAINABLE DEVELOPMENT IN VIETNAM

The startup ecosystem is defined in many ways. According to Wikipedia, ecosystem entrepreneurship is a term that refers to a community consisting of symbiotic entities, sharing and complementing each other, creating a favorable environment that promotes the creation of into innovative and fast-growing startups. The Organization for Economic Cooperation and Development (OECD) defines a startup ecosystem as "the sum total of formal and informal linkages between (potential) start-up actors. or current), start-up organizations (companies, venture capitalists, angel investors, banking system...) and related agencies (universities, government agencies, public investment funds...) and the start-up process (business establishment rate, number of businesses with good growth rate, number of startups...) have a direct impact on the start-up environment in Vietnam local". According to Isenberg (2010) (Daniel, 2010). The startup ecosystem is the way a country or a city is set up to promote local entrepreneurship. Thus, it can be understood that the startup ecosystem includes factors: market, human resources, financial resources, startup support system, legal framework and infrastructure, education and training and scientific research, national culture (local culture) connected together to promote entrepreneurship activities in that country or locality.

The core of the startup ecosystem is the innovation-centric start-ups; strengthening the research role of universities; continue to strongly renew key scientific programs, ministerial-level researches and activities of state research institutes; encouraging the establishment of private research institutes, especially in the field of science and technology; encourage strong investment in education and science and technology, improve the quality of human resources, support the business community towards a circular economy and innovate in business;

continue to multilateralize and diversify foreign relations, actively integrate regionally and internationally. Especially actively participating in new generation free trade agreements and agreements with developed regions and countries. The contents in the startup ecosystem are aimed at supporting the best development of innovative start-ups. With the basic content as analyzed above, it can be seen that the development of the startup ecosystem is the factor that accelerates the restructuring process, transforming the growth model in the condition of lack of capital, creating a premise promote sustainable development. For example: building sharing economic models such as grab, lozi, agoda... are developing businesses that do not rely on owned assets, do not rely on capital. Meanwhile, with successful start-ups, it will contribute to opening up many job opportunities for high-skilled workers and for the informal economy. At the same time, innovative start-ups also play an important role in preventing and controlling environmental problems.

In Vietnam, in 2016, the first official document related to entrepreneurship was issued. That is Decision 844/QD-TTg dated May 18, 2016 on approving the Project "Supporting the national innovation start-up ecosystem until 2025", Decision 1665/QD-TTg dated 30/05 October 2017 on the approval of the Project "Supporting students and students to start a business until 2025". Starting from that time, startup activity in Vietnam has become a movement, developing nationwide with many participants and is considered as the five startup countries and the startup ecosystem is also recognized form and develop. Awareness of the startup ecosystem is more and more complete. The Communist Party of Vietnam affirmed the role of the startup ecosystem for the country's development in new conditions, pointing out that the innovative startup ecosystem is of great significance to Vietnam in terms of quantity and enterprise scale is lower than some countries in the region and the world. The 12th National Congress of the Party affirmed: "Complete mechanisms and policies to encourage and facilitate the strong development of the private economy in most economic sectors and fields, becoming a driving force importance of the economy. Completing policies to support the development of small and medium-sized enterprises and start-ups" (Mason & Brown, 2014, p.107-108). A number of important laws related to private economic

development continue to be perfected in accordance with the new context, with core values: Maximizing the freedom to do business with people and businesses in the future. industries and professions that are not prohibited by law, minimizing administrator and it will not have the right now but the only way of living room to get to see how much it to be able to make a difference in the past two days of a sudden the other day of the dead in my restorative procedures in the direction of openness, transparency, consistency, and accountability. The 13th Party Congress affirmed: "Building a legal framework, a favorable environment to promote development, entrepreneurship, innovation, digital transformation, digital economy development; supporting and encouraging the birth and operation of new fields and new business models (Communist Party of Vietnam, 2021, p.132).

On the basis of the Party's policy, the State has issued a number of implementation policies. On May 16, 2016, the Government issued Resolution No. 35/NQ-CP, "On supporting and developing businesses until 2020", with the goal of building a competitive Vietnamese enterprise by 2020 competition, sustainable development.

The resolution identifies 10 key principles, of which 5 are related to innovative start-ups: 1- The State protects the people's legal property ownership and business freedom; 2- Implement the policy of the state to create enterprises as the object of service; 3- Macro-economic stability ensures the predictable consistency of the policy; 4- Improve the investment and business environment to ensure equal rights for all types of enterprises; 5- Having specific policies to support small and medium-sized enterprises and innovative start-ups with high growth potential.

To concretize the Government's Resolution No. 35/NQ-CP, the Prime Minister issued Decision No. 844/QD-TTg, dated May 18, 2016, approving the Project "Supporting the Startup Ecosystem national innovation until 2025", with the goal: Urgently complete the legal basis to support creative startups, identify activities to support innovative start-ups, including Building a portal national innovation start-up, building a service center to support innovation start-ups in industries and localities, providing financial support from the state budget for science and technology every year to organize organizing the national technology

start-up day event, implementing the project of commercializing startup products, developing training activities, improving capacity and innovative start-up services, providing financial support building a communication program on innovative start-ups, providing financial support to connect Vietnam's start-up network with the world...

Thus, guidelines and policies related to start-up activities have been gradually formed. Some important contents of the Project "Supporting the national innovative startup ecosystem to 2025" have been implemented and are being implemented: The national innovation startup portal has been built and put into practice, the development of a centralized information industrial park and an innovative start-up support service zone is implemented in 3 big cities (Hanoi, Ho Chi Minh City, Da Nang) and some other locations direction...

In recent years, start-up activities have begun to make encouraging progress, especially after the Party and State's guidelines and policies on promoting private economic development are an important driving force importance of the economy. The international and domestic context has changed a lot, especially the Fourth Industrial Revolution, with outstanding applications to support the selection of business plans to access the market and mobilize resources; Many new-generation free trade agreements (FTAs) have been signed, expanding the development space; ... creating favorable conditions for businesses to expand markets, develop industries, fields, products, etc services that Vietnam has potential and comparative advantage. Besides, the high growth rate for many years, stable macro factors, continuously improved business and investment environment, the rapid growth of the middle class, the number of internet users and the brand value of the market has also increased e-commerce growing rapidly, etc. also create favorable conditions for start-up activities.

Prime Minister Nguyen Xuan Phuc (2019) said: The endogenous growth model (awarded with the 2018 Nobel Prize in Economics) proves that technology is an important endogenous factor of growth. It is technology together with the right human resources (capable of creating, using and controlling new technologies) that are decisive for long-term growth, the key for us to break through the status stop, escape the middle income trap (Prime Minister, 2019). In short, building a complete

ecosystem to create the most favorable environment for the development of innovative businesses is an important premise to create a strategic breakthrough in the development of science-technology and innovation. innovating the growth model towards sustainable development in Vietnam.

#### THE DEVELOPMENT STATUS OF THE STARTUP ECOSYSTEM IN HO CHI MINH CITY

Ho Chi Minh City is the center of economy, culture, education, science - technology, is one of the leading localities in terms of GRDP growth rate of the country. The city contributes on average annually about 22% of the gross domestic product, a quarter of industrial output, a third of the total budget revenue and a quarter of the total export turnover of the country, playing an important role in the development strategy of the Southern Key Economic Zone. In order to continue to maintain and promote the above achievements, the city has identified a sustainable economic development model in the direction of a knowledge economy and green growth based on science - technology and innovation and start-ups. Therefore, the startup ecosystem of Ho Chi Minh City has initially been formed, attracting the participation of all components of a complete startup ecosystem. According to 2017 statistics, out of about 1,800 startups across the country, there are about 834 startups operating in Ho Chi Minh City (accounting for about 42%), this number shows that the city has a favorable environment to work start-up (Thanh, 2018). Also in 2017, the innovation hub of Ho Chi Minh City (Saigon Innovation Hub - SIHUB) ordered the organization GEM (Global Entrepreneurship Monitor) - an organization to evaluate the startup ecosystem of cities around the world according to a set of 12 criteria (education, infrastructure, culture...) to evaluate the performance of the startup ecosystem in Ho Chi Minh City.

The startup ecosystem in Ho Chi Minh City is being built and created, but based on the above table, it can be seen that the city's startup ecosystem has also achieved encouraging results, specifically: Regarding policies and legal corridors: The City Government has effectively implemented the Prime Minister's Decision 844 on "Supporting the national innovation startup ecosystem until 2025" and is one of the localities that have issued many breakthrough policies to form an innovation ecosystem and promote start-up activities. In order to create a favorable



environment and support the process of forming and developing start-ups, Ho Chi Minh City has issued Decision 1339/QD-UBND in 2017 on the plan to complete the startup ecosystem. with many solutions such as bringing training programs and textbooks on developing startup ideas, product market development orientation skills, business management skills... into universities, colleges, professional education and training institutions and high schools in the area; On August 1, 2016, the City People's Committee issued Decision No. 3907/QD-UBND on the plan to implement Resolution No. 35/NQ-CP dated May 16, 2016 of the Government on supporting business development until the end of the year 2020 with the specific goal "by 2020, to build city enterprises with competitiveness and sustainable development, with at least 500,000 operating enterprises, including large-scale enterprises, resource strong force". In terms of infrastructure investment: SIHUB is identified as a highlight in the city's startup ecosystem. SIHUB is attracting great attention not only to domestic start-up organizations and individuals, but also to foreign startups. After one year of operation, the innovation startup ecosystem has had certain achievements such as establishing 5 innovation startup support spaces, and connecting with 24 business incubators industrial area with a total area of over 22,000 m<sup>2</sup>; in which 50% of capital comes from socialization. The Ho Chi Minh City Center for Business Development and Support (CSED) has promoted its role in supporting businesses to access preferential capital sources, providing management software; providing start-up services such as workspace, tax and customs reporting services, etc. The above support is a "push" for start-ups. About training - consulting - capacity building programs: organized for a wide range of subjects, from high schools and universities to existing managers and businesses. As of March 2019, the startup ecosystem in Ho Chi Minh City has directly and indirectly supported 497 startup projects through connections with investors, experts and consulting organizations. Implement pre-entrepreneurship education for 2,300 students from more than 35 universities through training sessions, seminars and networking; innovation training for nearly 340 teachers and 1,400 students at high schools in the city; providing guidance and training for more than 250 students (Thanh, 2018). Those figures are completely "talking" and are proven right at the event "Meet the innovative startup community - A year in retrospect", when thousands of startups

and technology projects from many countries around the world. Provinces and cities have come to SIHUB to promote and find investment opportunities. In terms of capital and finance: Ho Chi Minh City also developed a program to support innovative start-up projects (SpeedUp) with a maximum funding support of up to 2 billion VND/project to help ideas thought to complete its product, as well as go into venture capital funds, the market. As of 2018, 30/99 (reaching 30.3%) eligible projects were considered for support with a total budget of over VND 22.4 billion. In which, 13 projects were supported with over 1 billion VND (Son, 2018). Regarding international cooperation: In 2018, Ho Chi Minh City Department of Science and Technology under the direction of People's Committee and Party Committee of Ho Chi Minh City promoted activities to connect with international organizations, such as: Institute of Technology Massachusetts Technology (MIT) of the US to design a program on training the City's startup and innovation ecosystem lasting about 2 years, starting from 2019; Since the beginning of 2018, SIHUB has also implemented the program "Run way to the world" (global startup exchange) with four countries including: Korea, Germany, Singapore, Malaysia. The initial goal is to have 20 Vietnamese startups go to other countries and 30 startups to Ho Chi Minh City every year. During the period of traveling to other countries, startups will be guided by top advisors in each country; meeting with investors and partners; Work with other startups to learn, introduce their projects and most importantly, be "embedded" in the business environment to learn about consumers and market needs. In general, with the groundbreaking policies of Ho Chi Minh City creating conditions for start-ups to develop and be effective, the rate of start-ups in enterprises in the city is higher than the national average and is growing rapidly. tends to increase: from 2% in 2013, to 2.5% in 2015 and 2.7% in 2017 (compared to 0.6% of the whole country in 2017).

In the ranking of startup ecosystems of countries in 2020 evaluated by the Startup Blink Global Startup Ecosystem Mapping and Research Center based on a list of 100 countries and 1,000 cities in Southeast Asia. , Vietnam has increased 13 places to the 59th position in the world, and is aiming to become the leading startup hub in Southeast Asia... Report of ESP Capital and Cento Ventures in 2020 shows that Vietnam has risen to the third position in terms of growth rate of the innovative

startup ecosystem, just behind Indonesia and Singapore. In particular, the amount of venture capital in 2020 accounted for 17% of the total investment capital in the region, up from 5% in 2018. Specifically, the total value of investment deals in Vietnamese startups reached 290.43 million dollars; the number of investment deals reached 56 deals. In which, 34 investment deals were announced.

The Covid-19 epidemic caused many startups to suspend operations in 2021, downsizing, cutting staff and optimizing costs. Incubation and accelerator operations have been disrupted, incubators have had to change the way they operate and support plans for incubators have mostly moved to online. During the pandemic, almost all activities of the innovation startup ecosystem in Ho Chi Minh City are carried out on online platforms. It can be seen that Covid-19 is a perfect filter and a launching pad for startups that are able to apply technology in their operations. But not because of the epidemic, but the innovation startup ecosystem in Ho Chi Minh City retreated. 2021 is still considered an active year for the city's innovative start-up community. In 2021, the People's Committee of Ho Chi Minh City issued the Implementation Plan "Project to support the development of the innovation startup ecosystem in Ho Chi Minh City for the period of 2021 - 2025". The project aims to support the development of the City's innovative start-up ecosystem to develop on a regional level, gradually becoming a solid foundation to support innovation activities, improve productivity and quality competitiveness of enterprises, development of key products of the city, contributing to raising the contribution ratio of total factor productivity (TFP) to GRDP by 2025 to reach from 45 - 50%. The project also aims to create a favorable environment to promote and support the formation and development of fast-growing businesses based on exploitation of intellectual property, technology, and new business models. ; perfecting the legal system to support innovative start-ups. Accordingly, the project has eight main tasks (Hiep, 2021).

The first task is to develop infrastructure and services to support the innovation startup ecosystem with 5 projects including: Forming a network of innovation start-up centers, with the goal of forming a network of startups innovation startup support center invested and managed by the City. Support the development of material and technical foundations for innovative start-up activities.

Building organizational models to support innovative start-ups according to international standards. Develop a system for collecting and providing scientific and technological information for research, development and innovation. Promote technology exchange activities to support technology transfer and innovation.

The second task is to improve the capacity of innovative startup ecosystem components; forming innovation ecosystems of key fields and products, including 6 projects: Restructuring scientific research and technology development programs; Forming innovation ecosystems of key fields and products; Establishing and putting Ho Chi Minh City's Institute of Advanced Technology and Innovation into operation; Building a team of intellectual property administrators for research institutions and businesses; Capacity building training for innovative startup ecosystem components; Support to connect innovative start-up networks.

The third task is to support innovative start-ups to develop products and markets, including 3 projects: Incubating innovative startup ideas to support economic recovery for the City; Accelerated development of innovative start-up projects; Forming a space to support experimentation of innovative start-up products.

The fourth task is to support small and medium-sized enterprises to improve productivity, quality, and innovation, including 4 projects: Training on productivity, service quality, improvement and innovation of production management models, and business; Consulting on the application of standards, technical regulations, management systems, tools to improve productivity, quality, and measurement; Developing an online training system on productivity, quality, innovation.

The fifth task is to promote innovation activities in the public sector, in order to bring the city's innovative startup ecosystem to participate in the regional and global network of innovative start-ups, promoting cooperation activities in innovation, sharing, attracting resources, and supporting innovative businesses to reach out to regional and international markets.

The sixth task is to promote international cooperation in innovation startups, bringing the City's innovative start-up ecosystem to participate in the regional and world's innovative start-up network, promoting cooperation activities in

innovation, sharing, attracting resources, and supporting innovative businesses to reach out to regional and international markets.

The seventh task is to promote innovation startups, develop an online platform to support innovative start-ups; organize communication activities to support innovation and start-ups.

The eighth task is to evaluate the effectiveness of the project's task performance, and to conduct statistics, surveys, and annual evaluation of the implementation results and impacts of the project, in order to promptly adjust policies for the project appropriate, to ensure the achievement of the objectives of the Project.

To implement the newly issued plan, Ho Chi Minh City organizes to implement many other projects such as: Forming a network of start-up innovation centers; Developing a system for collecting and providing scientific and industrial information for research, development and innovation; Established and put into operation Ho Chi Minh City Institute of Advanced Technology and Innovation; Forming a space to support the testing of innovative start-up products; Developing an online training system on productivity, quality, innovation... Accordingly, the project "Promoting activities of the Technology Exchange to support technology transfer and innovation" by the Department Science and Technology chairing will be carried out regularly throughout the year. The goal is to develop the city's technology exchange into a center for connecting, providing, cooperating, transferring technology, and promoting innovation activities of enterprises.

One content of the project that will be focused on implementation is the effective management and operation of the Innovation and Technology Transfer Portal (Techport) and the perfecting the operation model of the Ho Chi Minh City Technology Exchange. In addition, technology and equipment exhibitions will be held at the Technology and Equipment Market regularly – Techmart Daily; reporting periods analyzing technology trends in key areas of the city; series of events connecting "Technology coffee"; Update information, database on existing intellectual property units...

Also having the lead agency is the city's Department of Science and Technology, the project "Forming innovation ecosystems of key fields and products"

in order to give priority to supporting the formation of ecosystems. Innovative start-ups in key areas, innovative technologies, and products with competitive advantages, potential for development and economic recovery support for the city.

Specifically, with this project, Ho Chi Minh City supports the operation of ecosystems, focusing on developing innovative start-up ecosystems in the fields of artificial intelligence (AI), technology, and innovation education technology (Edtech) and high-tech agriculture, while supporting the formation of innovation ecosystems in the areas of health and social impact.

To implement the newly issued plan, Ho Chi Minh City organizes to implement many other projects such as: Forming a network of start-up innovation centers; Developing a system for collecting and providing information to the Department of Science and Technology for research, development, and innovation; Established and put into operation Ho Chi Minh City Institute of Advanced Technology and Innovation; Forming a space to support the testing of innovative start-up products; Developing an online training system on productivity, quality, innovation...

In fact, successful models of building innovative start-up ecosystems are based on cooperation and sharing. Therefore, the Department of Science and Technology of Ho Chi Minh City has implemented the idea of building an innovative startup ecosystem platform H-OIP (Ho Chi Minh Open Innovation Platform). H-OIP is oriented as a foundation for incubators and incubators to build their image, promote their strengths and strengthen cooperation in incubation and support for startups. Ho Chi Minh City ranked 179th in the Top 200 Global Innovation Startup Ecosystems. The number of science and technology enterprises ranks first in the country with 108 enterprises. In particular, Ho Chi Minh City has 39 out of 63 startup deals with a raised capital of more than 837 million USD (accounting for 50% of the total capital in the country). A number of traditional corporations in textiles, footwear, real estate, and school supplies have also begun to pay attention to startups.

In 2021, the City Department of Science and Technology has coordinated with organizations and units to conduct 09 training courses on knowledge and skills on innovation and entrepreneurship for more than 200 businesses to improve

efficiency activities of the startup ecosystem for innovation, capacity building, support for incubation and networking of startups. Regarding the Speedup program, there are 2 projects acquired by investors with an increase of 1.1-1.5 times in value and the state's support funding has been returned. There are 3 projects that have made profits and paid part of the project's profits to the state. At the same time, 6 projects mobilized from investment funds 7.5 times higher than the previous support amount of the Program. Currently, the Speedup Program is supporting 61 projects, the total value of 61 projects is about 29.9 million USD, the state funding is about 1.84 million USD (6.1%) (Kim, 2022).

The innovation index in startup activities in Ho Chi Minh City is higher than in previous years and higher than the national average. However, there are still difficulties that the city's startup community is facing, namely: The policy mechanism has not really created a strong push for start-up activities, the adjustment of mechanisms and policies. Support books have not kept up with the rapid change of the startup community. This leads to good startups moving to countries with more open policies to set up businesses. In addition, some investment funds reflect that there is money available to put into Vietnamese startups, but so far it has not been used, due to investment procedures. Any startup really needs to have the role of investors, advisors, scientists. But the connection between startups and existing businesses is still loose, the number of successful businesses supporting startups is not much. Ho Chi Minh City's startup support activities are all through incubators, but most state-owned incubators have not developed commensurate with the requirements of the startup community. The reason is that the initial investment capital as well as the annual capital is limited; human resources for managing the incubator are mainly professionals with limited market thinking; Venture capital activities, procedures for applying for work permits for foreign experts are cumbersome, and there is a lack of regulations on investment registration when foreign investors want to pour capital for startups in the form of buying shares... Start-up businesses are mainly in the fields of real estate, information technology, education - training, health..., while a number of industries and fields in Vietnam have potential and advantages for development low proportion, such as agriculture, tourism, processing and manufacturing. Other



majhwt, the connection between schools and businesses is weak. Start-up businesses have not yet come to institutes and universities to ask questions about technology research.

Obviously, for the City's start-up activities to be effective, and commensurate with the potential and requirements of socio-economic development, it is necessary to closely coordinate the components of the startup ecosystem with the startup ecosystem synchronous, rigorous and drastic solutions.

#### SOME SOLUTIONS TO DEVELOP THE STARTUP ECOSYSTEM IN HO CHI MINH CITY

Developing a startup ecosystem in Ho Chi Minh City towards sustainable development in the City and contributing to the general development trend of the country is both a requirement and a need in the current globalized context. . However, to perfect the innovative startup ecosystem, it is necessary to have synchronous solutions to create a favorable environment for this activity. In the coming time, it is necessary to focus on implementing a number of solutions to develop the startup ecosystem in Ho Chi Minh City as follows:

First of all, strengthen propaganda and dissemination measures of the Party and State's undertakings and policies related to start-ups, thereby arousing trust and creative entrepreneurial spirit. More fully aware of the role of entrepreneurship as a driving force for the country's development. Building and forming a creative startup culture, willing to take risks and failures, cultivating the young generation's aspiration, perseverance, and optimism to overcome all difficulties and challenges.

Second, continue to improve the institution to promote innovative start-ups, protect legal property rights and intellectual property rights. Remove a number of problems that are blocking resources in mobilizing resources, creating favorable conditions for start-ups to access bank credit, promulgating regulations on supporting bank credit supporting start-up businesses, forming a market for land use rights for start-ups to access instead of allocation by state agencies. Promoting digital transformation, especially online public services, reducing transaction time and costs for start-ups. Continue to reform the legal framework, administrative reform. Government has an important role to play in removing legal obstacles, reducing bureaucracy and regulations such as taxes, licensing and compliance to



remove unnecessary obstacles for businesses startups and small and medium enterprises. Specifically, the Government develops tax policies, supports and incentives for start-ups and investors; create a favorable environment to support start-ups; recognize types of venture capital and angel investors, simplify registration procedures, provide financial support to individuals and start-up groups to develop into start-up businesses; establishment of an investment fund in the form of reciprocal capital with venture capital funds, etc. When there is a policy to support the Government, it is necessary to have a mechanism and arrange human resources to advise and assist in legal procedures and actions for innovative start-ups, especially in matters of business registration, business dissolution procedures, and investment capital.

Third, focus on supporting training to improve capacity and awareness about entrepreneurship; periodically survey and investigate the status of start-ups in Ho Chi Minh City to adjust the development plan to suit the actual situation. Promote communication work; join and connect with international innovation startup network. Engage the private sector right from the start of building the startup ecosystem. Startup ecosystems should be led by the private sector, the government should only play the role of facilitator of formation and development, not leading or controlling.

Fourth, universities must have the responsibility to discover and foster talents (businessmen, managers, professional forces); is a place to research and provide technology solutions, thereby forming ideas, nurturing ideas, turning them into real businesses; it must also be a place that provides adequate and modern facilities to support and receive startup ideas and projects. The university is a place to research and develop new technologies and new business models, so this is an ideal environment for innovative ideas. In Vietnam in general and in Ho Chi Minh City, the role of universities in the startup ecosystem and the university's relationships with other actors in the startup ecosystem is still very vague. Therefore, finding solutions to further enhance the role of universities in the startup ecosystem is urgent, especially in the current context. It is thought that, in order for the university to promote its role in the startup ecosystem, the university must perform the right function: Training and developing talents and human resources

including entrepreneurs, managers and professionals. This is the main mission of the university; Provide infrastructure facilities, laboratories for start-up businesses/projects; Provide technology for fast-growing startups. Universities need to update their curricula to include entrepreneurship knowledge as an official subject in the training program. Successful start-up countries, such as the US, Germany, Israel, Singapore... all have one thing in common that is that the subject of entrepreneurship is taught very early in schools, even from the high school level (ITP), 2018). Universities in the city need to build a network of close links with businesses so that they can find sources of support and investment for start-up projects, as well as technology transfer partners put technology from incubator into production practice. At the same time, in order to promote the entrepreneurship movement among students, universities need to promote scientific research activities, have an appropriate mechanism to mobilize teachers and lecturers to become mentors for their startup projects student. In fact, because there is no suitable mechanism, teachers are not interested in pursuing startup projects with students until they succeed.

Fifth, it is necessary to pay attention to mobilizing financial resources for startups, this capital can be capital from institutions, bank loans, venture capital, investments from investors angels, accelerator programs, investment groups. The quality of startup projects is an important measure of the success of a business incubator. SHTP-IC has applied 4 important factors and solutions to improve the quality of startup projects.

## **Conclusion**

The startup ecosystem acts as an environment to sow seeds and nurture and promote the development of startups. Building and developing a complete startup ecosystem in the direction of innovation, creativity and sustainability in Ho Chi Minh City is a political change when shifting from focusing on large state-owned enterprises to state-owned enterprises. supporting small and medium-sized enterprises in the private sector, which also contributes to the cultural change required to build a new and dynamic startup ecosystem across the country. With the

startup movement growing rapidly, the city is actively contributing to the goal of building a Vietnam that will become an innovation center of Asia in the near future.

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