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Factors affecting micro-barriers that hinder the development of Vietnamese private enterprises

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Abstract
In line with Vietnam's economic reform and development, small and medium-sized enterprises or Vietnamese private enterprises (SMEs) have experiencedphenomenonal growth. Despite this impressive achievement, Vietnam's SMEs remain weak in terms of internal and external networking, competitiveness, innovativeness, human resource, and readiness to globalization. Theyhave actually encounteredseveral barriers in their development at both micro and macro levels in fact. Inquires of these barriers is meaningful in making policy recommendations to remove barriers to private enterprise development in countries where the State/Government is considered a major actor. This study focuses on evaluating factors affecting the micro-barrier system that hinder the development of private enterprises in Vietnam to answer two research questions:which factors influence micro-barriers that hinder the development of private enterprises in Vietnam and what is the degree of influence of those factors? The study applies quantitative research methods to measure the impact of factors on the micro-barriers system that hinder private enterprise development based on the survey sample of 392 private enterprises in Vietnam, which are mainly small and medium-sized private enterprises (most affected by micro barriers). Research findings indicate that state management policies; legal and tax systems, expanding scientific research and technological innovation activities are the main factors affecting the micro barriers that hinder the development of private enterprises in Vietnam. These results could become the experiences for other countries like Vietnam.

Keywords:Tectonic government; Tectonic state;Innovative government; Remove barriers; Private enterprises; Barriers to businesses
Jel classification: L2; O2; M1

1. Introduction

Both economists with a free market perspective and economists with modern perspectives agree thatthe role of the state as a regulatory actor is a natural need of the market(Leach, Raworth, & Rockstrom, 2013). Therefore, creating a healthy development environment for economic sectors is both a task and a goal of the State/Government when intervening in a market economy. How the state/government (depending on the political institutions of each country) intervenes in the economy is usually a topical question; especially in recent years, when economies are increasingly dependent on each other in bilateral and multilateral trade relations, this questions becomes even more important.

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In Vietnam, despite significant achievements in socio-economic development since the introduction of the "Doi Moi" (Renovation) strategy and policy in 1986, Vietnam continues to face many development challenges. Per capita income is below the national expectation, leading to a high risk of falling into the middle-income trap. Productivity growth has slowed down in recent years, and social and environmental problems in economic development are emerging, such as environmental pollution, social evils and increasingly extensive inequalities, weak economic and governance institutions were honestly admitted by the Party and Government of Vietnam (Congress, 2016). In order to achieve the objectives, set out in the 5-year socio-economic development plan 2020-2025 with a vision to 2035, Vietnam needs to accelerate its institutional improvement and more effective access to opportunities, and actively participate in solving global challenges if they do not want to lag behind other economies in the region and the world.

In addition, Vietnam has acknowledged that the market economy can only mature when it is led by the private sector, competition and deeper integration into the global economy. This is a significant stage that all economic models must go through. The way the Government intervenes in a market economy to promote the development of the private sector, especially private enterprises, is a topical issue not only for Vietnambut also of many other developing countries. It is strong development of private enterprises that can drive the national economy to break from a developing economy to a developed one. Therefore, the case study of Vietnam is not only meant to be a typical representative for a developing country desiring to become a developed country, choosing to encourage the development of private enterprises economy with small and medium-sized enterprises as key players; but also marks a great transformation of the role of the state/government in the economic development of a specific economic model (socialist-oriented market economy).

Many researchers studying Vietnam's economy think that this is a dynamic and emerging developing economy in Southeast Asia and Asia with an increasingly important role in the international arena, but there are significant barriers that hinder the development of private enterprises at both micro and macro levels(OECD, 1995). At the micro level,(OECD, 1995) or(Wang, 2016)identifiespossible barriers as banking system and financial/credit market (Department of Enterprise Development, 2017); competitive pressures under market mechanism(VCCI & USAID, 2018); slow growth of the input market(CIEM, 2017); limited confidence among workers; the lack of governance capacity and poor cooperation in application research (Kiều, 2012); limited trust in entrepreneurs and poor establishment of entrepreneurship culture as well as uniformity in organizational structure are micro barriers to the development of private enterprises (Chung, 2017; Kazemi, 2013).The study of these barriers for each economy is important in making policy recommendations to remove barriers to private enterprise development in countries where the role of the State/Government is considered as a key factor. Therefore, the purpose of the study is to assess the factors affecting the micro-barrier system that hinders the development of private enterprises in Vietnam. To achieve the purpose of the research, the research needs to answer two research questions: which factors influence micro-barriers that hinder the development of private enterprises in Vietnam and what is the degree of influence of those factors? The study used the method of measuring the level of the impact of micro-barrier factors on the development of private enterprises based on the survey sample of 392 Vietnamese private enterprises nationwide, mainly private small and medium enterprises (the type of enterprise most affected by micro barriers).

2. Theoretical framework

There are many studies that address the barriers to private enterprise development in developing countries, especially small and medium-sized private enterprises. The most extensive study, Wang (2016)used the

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cross-country data obtained from the World Bank's Enterprise Survey of 130,000 businesses in 135 countries and the multivariable regression model investigating barriersto small and medium-sized enterprises in developing countries. The study found five main factors affecting businesses including access to finance, tax rates, competitive pressure, electricity prices, and political factors. The two most influential factors are access to finance and competition. Also study of (EBRD, 2005, 2009, 2012, 2014 and 2020) of the Egyptian economyanalysed and identified major barriers affecting private sector development in the country as difficult access to finance; policy instability and vulnerability in macroeconomic shocks; limited support for private enterprise development by the legal system; lack of market-driven competitiveness in the real estate and energy sectors; weakness of domestic value chains; and financial institutions. The study also identifies barriers by sector such as energy, banking and finance, industry, and agribusiness.

In addition,the research of Amentie, Negash, and Kumera (2016) using Ethiopian interdisciplinary data and the sampling method combined with descriptive statistics identified nine major and moderatefactorsinfluencing the development of small and medium enterprises in Ethiopia,including micro barriers such as competitive pressure, high interest rate, debt payment problem of customers, unavailability of raw materials, weaknesses of the banking system and unavailability of corporate credit systems; and themarket'slow demand for enterprise products. Agreeing with the above study, Adewale (2015) when studying business development barriers in the printing industry in Nigeria based on the interview method showed that poor infrastructure and limited finance, weak management ability and the absence of supporting information as well as low entrepreneurial spirit greatly hinder the development of enterprises in the industry. Even if credit is available to small and medium-sized businesses, it is still difficult to access and use this credit flow(Salami., 2003).

Continuing to explore in-depth the internal factors of the enterprise itself as a barrier to private enterprise development, Kazemi (2013) conducted a survey of Iranian biotechnology product manufacturers and found five main groups of barriers related businessesthemselves: limited trust and encouragement for employees, the absence of corporate culture withpoor cooperation, solidarity and cultural diferences; lack of confidence in entrepreneurs; weak business skills and coordination in the organizational structure as well as poor corporate governance.The research also emphasized the importance of building a startup culture that significantly affects the development of private enterprises. Levy (1992) in his study of the furniture industry in Tazania shows that the lack of credit financing in the market makes it difficult for both large and small enterprises to develop. Meanwhile, in Sri Lanka, small and medium enterprises have difficulty accessing the inputs that are the advantages of state-owned corporations. With the ambition to find out if access to finance is a major constraint for small and medium enterprises in most countries,(EBRD, 2005, 2009, 2012, 2014 and 2020) conducted a survey about business environment and enterprise performance in many countries around the world. Research findings show that in countries with underdeveloped capital markets, the central bank tends to prioritize loansfor state-owned enterprises or large enterprises designated by the Government instead of promoting capital for small and medium enterprises. Agreeing with the above conclusion, Chavis, Klapper, and Love (2011) use world bank business survey data to conduct research and find that 31% of businesses consider credit access as the main concern; even the financial barrier causes more serious effectons on small and medium-sized private enterprises than larger firms and this barrier is more impactful than other factors(Beck & Torres, 2007).

Studies into the development of private enterprises and the private sector in Vietnam in recent decades generally conclude that private enterprises are facing many development barriers.Son (2017)states that there are many points of disagreement between the perception of private economic thinking and the

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development prospect of this economic sector. There is not even a clear definition of private enterprises, which makes it difficult for statistical and research activities.Sơn (2017)pointed out that difficulties in accessing private credit are still seen. Only 40% of operating enterprises are able to access bank loans. Many private businesses find it difficult to meet lending regulations of credit institutions because they are not transparent and fully aware of their financial situation. Chung and Phan (2018) also believed that private enterprises have high average business costs that reduce competitiveness such as transportation and personnel costs; or the slow and inconsistent development of the input market and the production auxiliary market(CIEM, 2017) has caused significant obstacles for the development of Vietnamese private enterprises. Kiều (2012) argued that barriers to corporate governance are also the reason why the private sector has not yet reached its full potential.

To sum up, studied micro-barriers that can impede the development of private enterprises in Vietnam are shown in the following table:

Table 1: Micro barriers restricting the development of Vietnamese private enterprises

Abbreviation	Barriers restricting enterprise development (micro level)	Literature
RCMI 1	Banking system and financial/credit market	Amentie et al. (2016); Levy (1992); Chavis et al. (2011); (Beck & Torre, 2007); VCCI and USAID (2018)
RCMI 2	Competitive pressure in the market mechanism	Wang (2016)
RCMI 3	Input	Kiều (2012); Levy (1992)
RCMI 4	Absence of workers' confidence	Kazemi, 2013); Adewale (2015)
RCMI 5	Lack of cooperation, governance capacity	Kazemi (2013); Adewale (2015); Kiều (2012);
RCMI 6	Lack of confidence in entrepreneurs and entrepreneurship culture	Kazemi, 2013); Adewale (2015)
RCMI 7	Lack of uniformity in organizational structure of enterprises	(Kazemi, 2013)

Source: Theoretical Framework

3. Research Methodology

3.1. Samples

Samples of the study were selected based onthe convenient method, one of the non-probability sampling approaches. According to the convenient sampling method, selected subjects were accessible objects (Tho & Trang, 2009). The survey subjects of this study are managers and employees in enterprises. According to Tho (2011),in EFA, sampling is usually based on(Congress, 2016) minimum size and the number of measurement variables in the analysis.Hair, Anderson, Tatham, and Black (1998) suggests that in order to use EFA, the sample size should be at least 50, preferably 100 and the observed/measurement ratio should be 5:1, meaning that a measurement variable needs at least 5 observations. In this study, the total number of observed variables is 42, so the minimum number of samples to achieve is 210. For multivariable

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regression analysis: the minimum sample size to achieve is calculated by the formula of 50 + 8*m (m: number of independent variables) (Tabachnick & Fidell, 1996). Thus, in order to identify the factors affecting business development barriers, the study conducted in-depth interviews and used 400 structured questionnaires for management leaders and workers in private enterprises in Vietnam. The findings were from 400 questionnaire samples collected. Of which 392 were valid, 3 were invalid, 4 were incomplete, and 1 was rated at the same score.

3.2. Data analysis method

In this study, the authors applied theStructural Equation Modelling (SEM) with SPSS 22.0 software and AMOS version 22.0, with 4 steps: analysing Cronbach's Alpha, Exploratory Factor Analysis (EFA); Confirmatory Factor Analysis (CFA), and Structural Equation Modelling (SEM), specifically as follows:

Step 1: Evaluation of the reliability of the scale. Cronbach's Alpha (CA) was used to evaluate the reliability of the scale for each observed variable belonging to the factor groups. PetersonPeterson (1994)(Peterson) suggests that any factor with CA less than 0.6 should be excluded from the research model. According to (Nunnally, Bernstein, & J.C., 1994), observed variables with a total correlation coefficient less than 0.3 are considered as garbage variables, which were also excluded.

Step 2: Exploratory Factor Analysis (EFA). The EFA allows describing the correlation between the impact variables, referred to as "factors". EFA is used in cases where the relationship between observed and latent variables is unclear or uncertain. EFA is thus conducted in a discovery manner to determine the range and degree of relationship between observed variables and the underlying factors. The number of basic factors depends on the research model in which they are bound by rotating orthogonal vectors so that correlation does not occur. EFA discovery factor analysis is useful in the initial empirical step or test extension. Meyers, Gamst, and Guarino (2016)reported that in the EFA, the Principal Component Analysis extraction method with Varimax rotation is the most commonly used method. A condition for EFA analysis is to meet the following requirements: Factor load coefficient> 0.3; $0.5 \leq KMO \leq 1$; Bartlett test has statistical significance (Sig. <0.05); percent total variance> 50%.

Step 3:Confirmation factor analysis (CFA). The affirmative factor analysis (CFA) is appropriate when researchers have some knowledge of the underlying variable structure. In which the relationship or hypothesis (derived from theory or experiment) between the observed variable and the base factor is accepted by the researchers before conducting statistical testing. Thus CFA is the next step of EFA to test whether there is a prior theoretical model that underlies a set of observations. CFA is also a form of SEM. In CFA development, the observed variables are also indicator variables in the measurement model, because they "upload" the conceptual basis theory. The factor analysis asserts that CFA accepts the hypotheses of the researchers, determined by the relationship between each variable and one or more factors. Indicators for measuring the suitability of the model with data include Chi squared (CMIN); Chi square adjusted according to degrees of freedom (CMIN / df); Comparability index (CFI); Tucker & Lewis index (TLI); andRoot Mean Square Error of Approximation (RMSEA). According to Hair Jr. et al. (1998), if 1 <CMIN / df <3, the model is considered to be a good fit.(Tho, 2011) suggested that if the model receives CFI values, $TLI \geq 0.9$; $RMSEA \leq 0.08$, and P> 0.5, the model is suitable for the data.

Step 4: Structural equation modeling (SEM). Structural equation modeling (SEM) helps test a set of regression equations at the same time. In this study, the SEM model was implemented with the aim to identify the influencing factors and the degree of influence of each factor on the micro-barriers that limit the development of private enterprises.

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4. Results

4.1. The results of the reliability testing of scales by Cronbach's Alpha

To ensure the reliability of the scale, the author evaluated the reliability of the scale through Cronbach's Alpha for each group of observed variables of different factor groups; if any factor had a small Cronbach's Alpha coefficient more than 0.6, it would be excluded from the research model (Peterson, 1994) and observed variables with a correlation coefficient less than 0.3 were considered as garbage variables, also removed from the scale of individual factors(Nunnally et al., 1994).

According to Table 1, Cronbach's Alpha results for "Micro barriers limiting the growth of private enterprises" showed that the CA coefficient was 0.870; observed variables had a coefficient of 0.6 <CA <0.870, and the correlation number of the total variable was greater than 0.3. To conclude, variables RCMI1; RCMI2; RCMI3; RCMI4; RCMI5; RCMI6; RCMI7 were qualified to move on to the next step. Cronbach's Alpha results for "Competitiveness in production - business areas" showed that the CA coefficient was 0.853, the observed variables had a coefficient of 0.6 <CA <0.853, and a large correlation coefficient of the total variableswas higher than 0.3. So variables CTDB1; CTDB2; CTDB3; CTDB4 met the requirements to continue to the next step. Cronbach's Alpha results for "Increasing support for scientific research and technological innovation activities" showed that the CA coefficient was 0.850, the observed variables had a coefficient of 0.6 <CA <0.850, and the correlation number of the total variable was greater than 0.3. So the variables KHCN1; KHCN2; KHCN3; KHCN4 were qualified to be taken to the next step. Cronbach's Alpha results for "Expanding cooperation and international integration" showed that the CA coefficient was 0.925, the observed variables had a coefficient of 0.6 <CA and a correlation coefficient of the total variablewas greater than 0.3. So the variables HTHN1; HTHN2; HTHN3 met the requirements to move to the next step.

Table 1: Results of assessing the reliability of the scale

No	Observed variables	Abbreviation	Coefficient of correlation of total variables	Cronbach's Alpha
1. Micro barriers limiting the growth of private enterprises - RCMI Cronbach's Alpha: 0.870				
1	Banking system and financial/credit market	RCMI1	.515	.869
2	Competitive pressure according to market mechanism	RCMI2	.619	.855
3	Input	RCMI3	.653	.851
4	Lack of confidence among workers	RCMI4	.756	.836
7	Lack of cooperation, governance capacity	RCMI5	.652	.851
8	Lack of confidence in entrepreneurs and entrepreneurship culture	RCMI6	.681	.847
9	Lack of uniformity in organizational structure of enterprises	RCMI7	.653	.851
2. Competitiveness in production and business areas- CTDB				

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Cronbach's Alpha: 0.853				
10	Favorable policy createsa healthy competition in the area, giving priority to the Private Enterprise	CTDB1	.637	.836
11	Policies to protect local businesses with tax support	CTDB2	.713	.805
12	Policies to protect local businesses with price and fee subsidies	CTDB3	.713	.805
13	Policies to protect local businesses by supporting long-term land lease	CTDB4	.714	.804
3. Increasing the support for scientific research and technological innovation activities Cronbach's Alpha: 0.850				
14	The impact of science and technology innovation policies on the development of enterprises	KHCN1	.707	.803
15	The impact of payment methods on the development of businesses	KHCN2	.795	.765
16	The impact of information sharing methods on enterprise development	KHCN3	.670	.817
	Infrastructure's impact on the development of the business	KHCN4	.595	.846
4. Expanding cooperation and international integration - HTHN Cronbach's Alpha: 0.925				
17	Impacts of science and technology innovation policies on the development of enterprises with international commitments to the development of enterprises	HTHN1	.881	.865
18	The impact of international integration on the development of enterprises	HTHN2	.887	.859
19	Effective implementation of multilateral and bilateral commitments to the development of the business	HTHN3	.782	.942
5. State management policy - CSQL Cronbach's Alpha: 0.835				
20	Transparency of state management policies	CSQL3	.698	.771
21	Consistency in understanding and applying policy regulations	CSQL4	.719	.751
22	The impact of tax policies and tax	CSQL5	.674	.794

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	incentives on the development of enterprises			
6. Law and tax - PLT Cronbach's Alpha: 0.806				
23	Impact of domestic laws on the development of enterprises in the area	PLT1	.587	.861
24	Impact of tax barriers on the development of businesses in the area	PLT2	.723	.686
25	Open policy creating favorable conditions for production and business units to develop in the area	PLT3	.717	.686

Source: Analyses of data from authors

Cronbach's Alpha results for "Macro barriers limiting the development of private enterprises" showed that the CA coefficient was equal to 0.840, the observed variables had a coefficient of 0.6 <CA <0.840, and the correlation number of the total variable was greater than 0.3. So the variables RCMA1; RCMA2; RCMA3; RCMA4; RCMA5; RCMA6; RCMA7 were qualified to go to the next step.Cronbach's Alpha results for "State management policy" show that the CA coefficient was 0.633. CSQL1 variable was eliminated because of CA factor> 0.633. After removing CSQL1, the author ran the SPSS for the second time, the CA factor was 0.708, the variable CSQL7 was eliminated because the CA factor was greater than 0.708. After removing the CSQL7 boundary, the author re-ran SPSS for the third time, CA = 0.732. CSQL6 variable was rejected because it had CA factor> 0.732. After removing CSQL6, the author re-ran SPSS for the fourth time, the CA coefficient was 0.763, the variable CSQL2 was eliminated because the CA factor was greater than 0.763. After removing CSQL2 variable, the author reran the SPSS 5 times, CA = 0.835 and found that the observed variables all had a coefficient of 0.6 <CA <0.835, and had a total correlation coefficient greater than 0.3. To conclude, variables CSQL3; CSQL4; CSQL5 weresatisfactory to take on next step.Cronbach's Alpha results for "Law and Tax" showed that the CA coefficient was 0.806 and the observed variables had a coefficient of 0.6 <CA <0.806, and a total correlation coefficient greater than 0.3. So the variables LTPL1; LTPL3; LTPL4 met the requirements to move to the next step.

4.2.Explore factor analysis (EFA)

The EFA factor analysis method belongs to a group of interdependence techniques, which means that there are no independent and dependent variables, but it is based on the correlation between variables. EFA is used to shorten a set of k variables intoset F (F <k) of more meaningful factors. The basis of this reduction is based on the linear relationship of the factors with the measurement variables. According to (Hair et al., 1998), loading factor (load factor) is an indicator to ensure the practical significance of EFA. KMO coefficient calculated by principal axis factoring method, the Promax rotation, is greater than 0.5, and the factor analysis is appropriate for the research data.The process of eliminating measurement variables to conduct EFA discovery factor analysis of the study was carried out. In addition to basing on Cronbach's Alpha reliability index, the study also based on two principles to eliminate variables: (i) The measurement

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variables converge on the same factor, the factor loading must be larger. 0.5. (ii) "Distinctive Value" is ensured: The measurement variables belong to this factor and must be distinguished from other factors.

The results of testing the appropriateness of the exploratory factor analysis model:

Table 2: KMO and Bartletl's Test results of CFA model

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.860
Bartlett's Test of Sphericity	Approx. Chi-Square	8113.876
	df	595
	Sig.	.000

Source: Analysis of data from authors

The KMO measure (Kaiser-Meyer-Olkin) analyzed the factor of the study with the value 0.860 satisfying the condition of $0.5 \leq KMO \leq 1$, andled to the conclusion that factor analysis was appropriate with the actual data. Testing the correlation between measurement variables (Bartletl's Test) with hypothesis H0 resulted inthe correlation of zero. Bartletl's Test results were Sig. = 0.000 <0.05, and the conclusion was that measurement variables correlated with each other in the factor group. Testing the % cumulatative variance showed thatin the table of Total Variance Explained, the criteria to accept cumulative variance was > 50%. The results of EFA analysis for the independent variables of the rotated factor matrix showed that the loading factor of the measurement variables was all qualified when loading factor was ≥ 0.5 and after factor analysis, there were 8 factors with 35 measurement variables. The indicators of the first CFA model all met the criteria to assess the suitability of the model (Table 3). Regression values of variables in each factor were in the range of 0.5 -1 (Hair et al., 1998).

Table 3: Regression values for each factor for the measurement variables

Variables			Estimate
TVRC1	←	TVRC	.706
TVRC2	←	TVRC	.806
TVRC3	←	TVRC	.741
TVRC4	←	TVRC	.840
TVRC5	←	TVRC	.696
TVRC7	←	TVRC	.836

Source: Analysis of data from authors

4.3.Structural equation modeling (SEM)

Structural equation modeling (SEM) was the next step of factor analysis, helping to research and test a set of regression equations at the same time. The SEM model specified the relationship between latent variables and measurement variables. It also indicated the relationship between predictive latent variables that researchers were interested in. In this study, the SEM was applied with the aim to identify the influencing factors and the degree of influence of each factor on "Micro barriers limiting the growth of private enterprises"; "Macro barriers limiting the development of private enterprises"; "Prospected outcome

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of removing government barriers to private enterprises". The SEM model was analyzed starting with the original proposed research model, then adjusted for a better model.

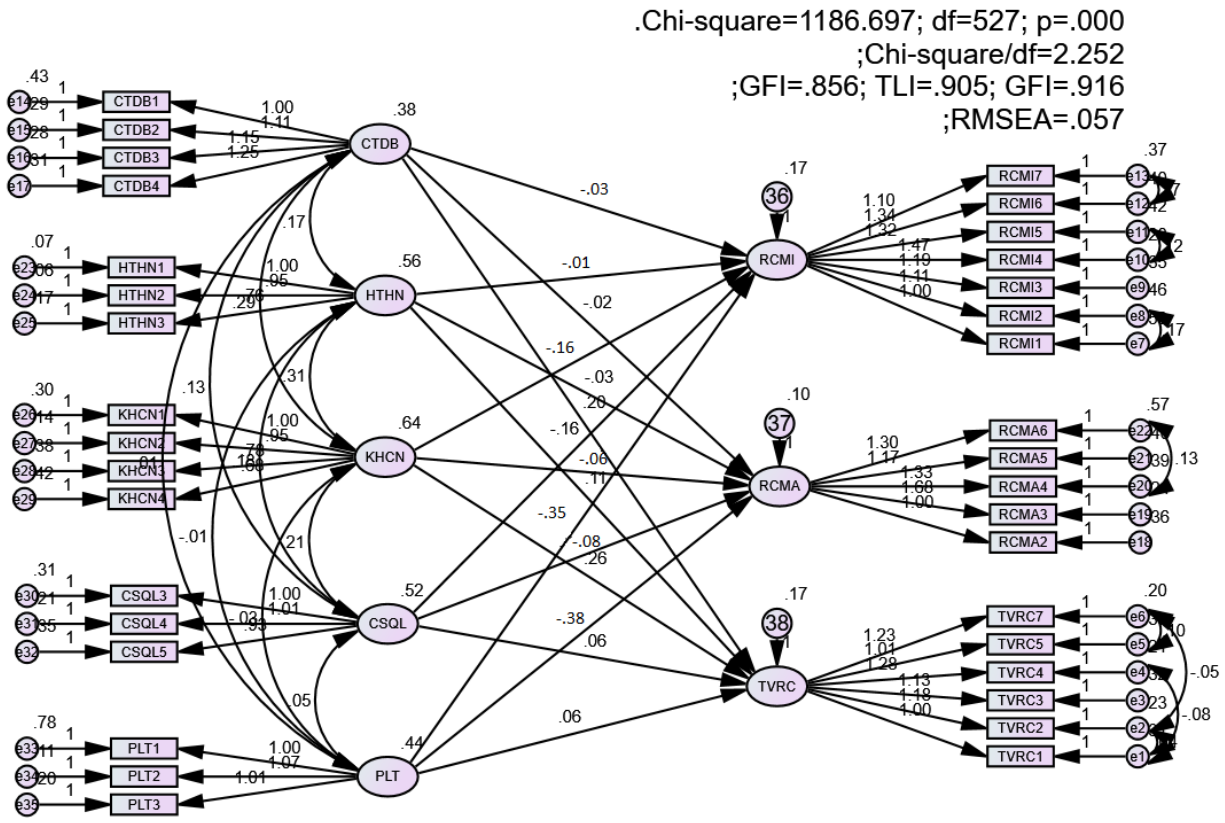

Figure 1: Results of testing the theoretical model

Source: Analysis of data from authors

CFA test by AMOS software was based on the principle of adjusting relationships with MI> 4 (MI-Indice Modification, which is the adjustment coefficient corresponding to the change of $\chi 2$ on a degree of freedom) but the adjustment had tobe in line with the theoretical basis and had the practical value. After the adjustment, the CFA results showed that the indicators evaluating the suitability of the theoretical model were significantly improved as shown in Figure 1 ($\chi 2$ / df = 2,252; GFI = 0.916; TLI = 0.9095 ; CFI = 0.862; RMSEA = 0.054). Therefore, this model was suitable for real data. Moreover, the regression coefficients between factors "Micro barriers restrict the development of private enterprises"; "Macro barriers limiting the growth of private enterprises"; "Prospected outcome of removing government barriers to private enterprises in the next 5 years" and the impact factors of "State management policies", "Laws and taxes", "Expanding international cooperation and integration","Increasing support for scientific research and technological innovation activities","Competitiveness in production and business areas"were all smaller than 1 and different from 0 in a statistically significant way (Table 4).Therefore, it can be concluded that the measurement components "Macro barriers limit the growth of private enterprises"; “Micro barriers limit the growth of private enterprises”;“Prospected outcome of removing government barriers to private enterprises in the next 5 years”with independent factors achieved discriminant value (Tho, 2011).

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Table4: Regression values

			Estimate	S.E.	C.R.	P	Label
RCMI	<---	CTDB	-.025	.058	.436	.003	par_36
RCMI	<---	HTHN	-.014	.042	.345	.030	par_37
RCMI	<---	KHCN	-.163	.050	3.227	.001	par_38
RCMI	<---	CSQL	-.164	.045	-3.661	***	par_39
RCMI	<---	PLT	-.352	.057	6.203	***	par_40

Source: Analysis of data from authors

Based on P-Value in Table 4, it can be seen that all the hypotheses are satisfactory, that is, independent variables had an effect on the dependent variable. The research results showed thatfactors affecting" Micro barriers limiting the growth of private enterprises" were asState management policy: -0.164, Law and tax: - 0.352, International cooperation and integration: -0.014, Science and technology: -0.163, Competitiveness in production - business areas: -0.025. The above results showed that the independent variables hadcounter effect or negative impacts on factor "Micro barriers limiting the growth of private enterprises", in other words when the government creates, improves and investsin the following factors: State management policies; Law and tax system; Expandinginternational cooperation and integration; Increasing support for scientific research and technological innovation activities; Competitiveness in production and business areas, barriers can be removed, thereby promoting the development of enterprises (in micro level).

5. Conclusions and policy implications

The research has synthesized and analyzed micro-barriers that limit the development of private enterprises, including banking system and financial/credit market; competitive pressure under the market mechanism; Source of inputs; Lack of confidence among workers; Lack of cooperation, governance capacity; Lack of confidence in entrepreneurs and entrepreneurship culture; and Lack of uniformity in organizational structure of enterprises. The analysis results show that the factors affecting the micro barriers that limit the development of private enterprises such as State management policies, Legal system and taxation, Expanding international cooperation and integration, Increasing support for scientific research and technological innovation activities and Competitiveness in production - business areas all have counter or negative impacts on the factor "Micro barriers limit the development of private enterprises". In other words, when the government creates and supports the development of private enterprises, including good state management policies; transparent and consistent legal and tax system; strengthenedinternational cooperation and integration; increased support for scientific research and technological innovation activities; and increased support for businesses to improve competitiveness in production and business areas, barriers will beremoved, thereby promoting the development of private enterprises better.

In order for the private sector to grow, the Government of each country needs to continue its administrative reform, creating a favorable business environment for businesses to develop. At the same time, the Government needs to improve its mechanisms and policies to encourage and facilitate strong development of the private economy; develop policies to support the development of small and medium-sized enterprises and start-ups; and develop legal regulations related to business investment, avoiding overlapping, causing difficulties for private enterprises. In doing so, micro-barriers that limit the

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development of enterprises will be gradually removed, paving the way for more sustainable development of private enterprises in the future.

This study was conducted in Vietnam, a strongly growingeconomyin Southeast Asia thanks to drastic reforms of the Vietnamese government in managing and operating the economy for a favorable environment for the private sector. Therefore, the study can be considered as a meaningful lesson of experience of Vietnam for other countries in the region and in the world with similar conditions. Apparently, changing the factors of micro barriers to the development of private enterprises requires a strong innovation of the government role, and the tectonic government is a direction with a lot of advantages. The central government should play a role of the catalyst for improving countrywide business environment (for instance, developing further Provincial Competitiveness Index), meanwhile, preventing possible 'fence-breaking' practices (in offering tax or tariff incentives) and unnecessary budget revenues foregone.

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