

The Study of Entrepreneurship Ecosystem in Lao PDR

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Abstract

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This study is to 1) understand an overview of entrepreneurship and 2) identify the entrepreneurial ecosystem of Lao PDR in Luang Prabang. The Focus-group discussion (FGD) qualitative method was designed for this study. The key informants of eight stakeholders were selected from Government Departments, entrepreneurial Associations, academic lecturers, and companies in Luang Prabang. The overview of entrepreneurship was defined based on the perspective of local stakeholders and the current ecosystem of Entrepreneurship in Luang Prabang is human capital and finance. Human capital is a very important component as it requires high levels of entrepreneurship and management skill to be able to access regional and international market. Entrepreneurship education is really necessary to respond to the government policy by reducing the quotas for government employment and increasing self-employment. Our assumption that finance is the first challenges for entrepreneurship in Lao PDR. However, the finance is the second important factor when he or she wants to expand business activities.

Keywords: Sustainable Development, Entrepreneurship and Human Capital

1. Introduction

Entrepreneurship plays a significant role in economic growth and entrepreneurs introduce innovative technologies, products and services. The entrepreneurship also creates employment opportunities. Lao PDR needs more than 500.000 new entrepreneurs to boost social and economic development by 2020, and Lao entrepreneurs still face challenges to grow (World Bank, 2019).

This study uses the conceptual framework of **ecosystem entrepreneurship** developed by Isenberg (2010) to understand the ecosystem of entrepreneurship in Luang Prabang, Lao PDR. Isenberg (2010) designs six domains of the entrepreneurship ecosystem, including policy, finance, culture, supports, human capital and markets. The Lao PDR started opening up to the world in the late 1980s. Sub-regionally, the country is an active partner in the emerging Greater Mekong Sub-Region (GMS) Economic Cooperation Program. The GMS program plays an important role in strengthening exports to neighboring countries, facilitating the development of transport corridors, and enhancing the 12 sustainable development and management of the Mekong River. Lao PDR

also engages in the Mekong River Commission (MRC), which explores opportunities for regional cooperation in the Mekong River Basin. On a broader regional and global level, Lao PDR was admitted into the Association of Southeast Asian Nations (ASEAN) in 1997 and joined the ASEAN Free Trade Area (AFTA) in 1998.

VIXATHEP (2017) studies how entrepreneurship contributes to economic development in Laos through small and medium enterprises. The study addresses the relationship between entrepreneurial human and social capital and successful entrepreneurship. The study finds that human and social capital enhance the successful entrepreneurship in SME and education positively impacts business growth. The implementation of government policies needs extensive improvement and human resource development is a key for the government to achieve the target of successful entrepreneurship in SME.

Objectives: 1) To define the terminology of entrepreneurship, and 2) to determine the ecosystem of entrepreneurship in Luang Prabang, Lao PDR

2. Materials and Methods

The interview was conducted online through Zoom and the Google Meet platform from May 13th to May 28th, 2021. The research has been carried out strictly as an academic endeavor with adherence to research ethical standards. Interviewees were fully briefed about the intentions of the research. The researcher obtained the oral consent of the respondents to publish. The researcher has also ensured that findings are not exaggerated or misrepresented to favor a particular outcome.

Focus Group Discussion (FGD) or Focus Group Interview (FGI) is a qualitative technique for data collection, and a focus group is a group comprised of individuals with certain characteristics who focus discussions on a given topic. FGD offers a more natural environment than that of an individual interview because participants are influenced by others, just as they are in real life (Dilshad and Latif, 2013)

There are two major types of reporting focus group data: First, conducting analysis and reporting a summary of the main ideas; and second, giving the subject's words for words. This study project applied the first analysis technique of reporting a summary of the main ideas (Anderson, 1990), and Anderson prefers combining narrative summaries with actual quotes that explain the participant's opinions in his or her own words.

The 15 key informants were selected for this focus group discussion. Two regions of the study were divided. The National University of Laos conducted an interview in Vientiane Capital, the central part of the country, and Souphanouvong University (SU) focused on an interview in the Northern Part. The National University of Laos conducted an interview in the central part. Seven key informants were selected, including Deputy Director General, Department of Small and Medium Enterprise Promotion (DOSMEP), Vice President of the Lao National Chamber of Commerce and Industry (LNCCI), Deputy Head of Planning Division, Ministry of Industry and Commerce (MOIC), Vice President of the Lao Women Entrepreneur Association (LWEA), Head of Loan Division from Lao Development Bank, and Faculty Dean of Economics and Business Management, National University of Laos. Another eight key informants were selected by a research team from SU for participation in the

focus group discussion, including the Lao Agricultural Promotion Bank (LAPB), the association of Luang Prabang Young entrepreneurs, the ECO of Thansamai Group Company, the vice president of the Private Education Association, the ECO of SMART Education Consulting, the Deputy Director of the Information, Culture, and Tourism Department, the Chamber of Commerce, and the Director of the Souphanouvong University Incubation Center. Based on cultural communication to open up more confidence for key informants. Therefore, the informants from policymakers, government agencies, chambers of commerce, and university professors are the first group, and the second group includes financial agencies, entrepreneurs, education entrepreneurs, and associations of entrepreneurs.

3. Results

3.1 Defining terminology of entrepreneurship

Entrepreneurship is very new in the context of Lao PDR, known as *Nak-Thu-la-kit* in Lao (LYEA, 2019). It directly means businessman and in academic definition originally translated from English. Therefore, entrepreneur is directly translated into Lao as Phou-Pa-Kop Kit-cha-karn. The informants from the interview conducted by the Souphanouvong University team in summary **Entrepreneurship** is active research to create the value of ideas, raw materials, and market opportunities for businesses. The value will be based on the effective mechanisms for product processing and services, and entrepreneurship also creates a great opportunity for employment, which directly and indirectly impacts social and economic development. Some key informants define entrepreneurship as the ability and readiness of entrepreneurship to develop, organize, and run a business enterprise, along with any of its uncertainties, in order to make a profit. The most prominent example of entrepreneurship is the start of new businesses or the expansion of a current business. Some pointed out that Entrepreneurship is a human activity or an act by which people can exploit a market opportunity to introduce their product or service to the market. However, entrepreneurship scholars, practitioners, and the World Bank define entrepreneurship in diverse

ways. In summary, entrepreneurship is an ideally business process, capability of collective and individual willingness to create business opportunities such as innovating a new products, new production methodology, new location, management of resources and access the new market (Mason and Brown, 2014).

3.2 To determine the entrepreneurship ecosystem in Luang Prabang, Lao PDR

3.2.1 Legal and government support policies

Policy covers both leadership and government. Policies are being used to support entrepreneurship so as to derive the expected benefits of it, like economic development or employment generation.

The main public policy regarding entrepreneurship in Laos PDR is based on Lao enterprises law in 2015. The government of Lao PDR (GOL) has privatized the business development model since 1980 as an approach for economic development strategies and to enhance entrepreneurship activities. In order to improve the entrepreneurship status of SMEs in particular, the government put in place a 2016–2020 SME Development Plan under the responsibility of the Department of SME Promotion (DOSMEP), Ministry of Industry and Commerce. It consisted of seven pillars:

- Increase productivity, technology, and innovation; provide certificates for innovative firms; and create matching grants for social and environmental innovation investments.
- Access to funding improve entrepreneurs' financial literacy, improve bank procedures, and set up support funds, including the "SME Development Fund," as well as credit associations to support entrepreneurs.

1) Access to consulting services, including business plan training, strategy and standardization, and entrepreneurship education.

2) Access to local, regional, and international markets by creating a database of potential export partners and service providers, establishing cooperation mechanisms between local SMEs and foreign investors, and looking for financial and technical assistance for marketing access.

3) Building awareness about entrepreneurship through trainings and workshops in junior high schools and enhancing capacity building for incubator centers in universities

- 4) Strengthen the business environment by improving regulations, policies, and government procedures, and introduce IT systems to improve entrepreneurship status in Lao PDR.

Taxation and customs policy have to be considered for micro, small, and Medium Enterprises (MSME), particularly those social enterprises that have the objective of alleviating poverty, the environment, and social security (e.g., food security, high technology sectors, VAT and profit tax exemptions for startups 1-5 years old, funding to commercial banks to subside interest rates on MSME) (DOSMEP, 2016).

In order to support MSMEs, the Government of Lao PDR officially launched its first small and medium-sized enterprise service center in February 2017. Its goal includes extending the reach of business policies and providing advice to business operations, including supporting information, training, and consultation services on accounting, finance, law, marketing, and others (Kyophilavong, 2018). From the point of view of the representative from LNCCI, it was mentioned that the regulatory framework set by the government somehow is overregulated, which may interrupt entrepreneurship from flourishing, and the policy creates more difficulties in understanding the legal environment for entrepreneurial activity. It is suggested that Capacity building among the government agencies responsible for implementing the MSME Development Policy is sorely needed. SMEs policies were enforced inconsistently, depending on the location (especially in provincial areas) or officials in charge. Moreover, Government interventions require private sector know-how in the design of programs and the evaluation and measurement of progress; bureaucrats should be excluded as much as possible. They also mentioned that regulations applied by formal institutions did little to facilitate their businesses and that regulations were not updated, thus hindering attempts for new activities to enter the market.

However, public policy regarding entrepreneurship is not widely accessible yet and lacks participation from entrepreneurs. For instance, the tourism industry is a priority

economic development sector, but there is still a lack of legal confidentiality on how taxation is treated for tourism businesses compared to other business sectors. Another seems to be a great policy known as one-door service, but in practice it is still complicated. Therefore, it is better to encourage the inclusive participation of all related partners in legal entrepreneurship. The strict-enforcement on enterprise law is a very important mechanism to encourage the young local entrepreneurs in participating in development projects invested in Lao PDR.

Thansamai Group and Smart Education Consulting (interview, May 13, 2021) stress the need for public policy improvement and the provision of more facilities for entrepreneurs. Smart Education and Thansamai Group raised the interesting issue of why young Lao people as well as young Chinese are not interested in the career of entrepreneurship. They see entrepreneurship as hard-working and risk-taking in comparison to other careers, especially government employment, which seems to be a permanent occupation with low risk of losing your job. The culture of entrepreneurship is considered an impermanent career, and risk-takers and youth understand that government employment is an easier and more stable job compared to private enterprises. For instance, entrepreneurs work harder and take higher risks than those working for the government. Therefore, policymakers need to see the risks and design the policy to reduce the external risks for entrepreneurs and include the entrepreneurs as developers, a part of national development, and key actors who contribute to social and economic development in Lao PDR.

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easier and more stable job comparing to private enterprises. *For instance, entrepreneurs harder and take higher risks than those working for the government.* Therefore, policy makers needs to see the risks and design the policy to reduce the external risks for entrepreneurs and include the entrepreneurs as developers and a part of national development and the key actors who contributes to social economic development for Lao PDR. Public policy also encourages private enterprises by improving the legal and regulatory environment related to business registration in order to facilitate investment and financial accessibility, such as when the government of Lao PDR (GOL) cooperates with financial institutions and banks for a microbusiness loan minimum of 50,000,000 Lak (SMEPDO, 2021). One district, one product is also created and supported by the government to drive Micro-small and medium enterprises (MSMEs).

The informants from the Department of SME and the president of the Chamber of Commerce suggested that entrepreneurship education and awareness are recommended to be designed in related subjects from earlier secondary school, vocational education, and university to build awareness on an introduction to entrepreneurship. The support from public policy is very significant for entrepreneurs, Economic growth, and development. The government also reduced the quota of government employment while encouraging young local entrepreneurs to pursue new careers. Public policy, laws, and legal documents related to entrepreneurship need to be more visible and accessible, and law enforcement needs to be stricter in order to collect national income from taxation. It is very important for policymakers to design a roadmap for entrepreneurship.

Access to financial capital

Finance is the one necessary factor for Lao entrepreneurs to boost their business operations at the beginning, and financial access is one of the reasons for the relatively slow growth of small firms in Lao PDR. It has been difficult to obtain working capital at affordable rates. A survey conducted by the World Bank in 2018 suggested that accessing finance was one of the main obstacles for SMEs in Laos PDR. According to statistics from the Bank of the

Laos PDR in 2016, only 20% of SMEs were able to access bank loans. Financial access difficulties here also include bank loan services, a lack of financial literacy, and business plans. They also do not know how to process documents correctly in order to get credit approval from financial institutions. The interviewees also stated that making finance accessible to SMEs is crucial for them to grow their businesses and drive the economy since SMEs are a vital segment of the Lao economy.

One mentioned that one of the biggest challenges to credit in Laos PDR is the disconnect between lenders and borrowers. Many SMEs transact almost exclusively in cash and fail to maintain reliable financial statements. This makes it very difficult for banks to access the profitability of the business and, thus, they cannot lend any money due to the high default risk. It is not only about knowing how to access the bank loan; it is also related to the bank policy that has a criteria for loaning only to registered enterprises and does not loan to non-registered enterprises (Interview, Lao Development Bank, 2021). Therefore, financial institutions such as commercial banks cannot give loans to such businesses. Even though the owner of the business may be able to take out a personal loan, those loans are quite small, and if those businesses want to access larger loans from banks, entrepreneurs generally must provide collateral and business registration certificates, which makes it particularly difficult for startups and small businesses. As a result, informal SMEs lack the ability to invest, grow, and achieve the scale necessary to become competitive.

To improve access to finance for entrepreneurs, SMEs in particular, Laos' government has a few instruments in place to stimulate bank lending to SMEs. One of its main instruments is the Lao Development Bank (LDB), a specialized government-owned development bank that focuses on SME lending. In addition, credit lines are provided for SME lending, and associated loans are extended with an interest rate cap. Through the SME Promotion and Development Fund (SPDF), the LDB can provide loans to SMEs at a capped interest rate of 9%–10% per annum. Aside from LDB, the government's fund has injected 100

billion kip in financing for SMEs via other commercial banks in the form of long-term low-interest loans. The financing will be provided to Sacombank Lao, Lao Viet Bank, and Maruhan Japan Bank. Laos, government was not charging the four banks interest, which will enable them to release low-interest loans. SMEs eligible to apply for a loan must be defined in Prime Ministerial Decree No. 25, dated January 16, 2017, in which SMEs must:

- Have a clear business plan when applying for a loan.
- Complete SME professional training by industry, commerce sector, or authorized body.

Hold accounts in accordance with the Law on Accounting with no NPLs in banking institutions. However, despite successes and sustainability achieved, the SME Fund has been facing a number of challenges in its day-to-day operation: Relevant laws and regulations, including the Law on National Budget, the Law on Audit, etc., are unfavorable for the operation of the SME Fund, which is revolving in nature compared to other Funds. Furthermore, from the SMEs side, SMEs need technical assistance to enhance their capacity to access bank lending, ensure efficient use of loans to sustain and expand businesses, and thereby be able to repay the bank.

Entrepreneurs and entrepreneurship experts state that finance is basically necessary for business operation at the start, and other important factors are professional skills, capability of business operation, experiences, employment management skills, and the entrepreneurs need to be responsible and flexible with business partners. In addition, the policymakers support the private sector on the issue of financial policy and the taxation system. Therefore, entrepreneurs have to develop management skills when their businesses grow to a certain level, such as capital management, marketing management, and human capital management.

3.2.2 Culture

This domain includes both success stories and social norms. Positive social norms and attitudes towards entrepreneurship are the keys to social entrepreneurship (Isenberg, 2011).

When talking about entrepreneurial culture, it is found that entrepreneurship is not a career. Generally, parents encourage their

children to push their children toward a university degree and on toward white-collar office jobs in the government, international Agencies, and established companies. In the society of Lao PDR does not see any special status to successful entrepreneurs hence it was not regarded as a good career choice. Generally, young people and students lack entrepreneurial spirits, attitudes, and skills due to entrepreneurial education and training programs. In addition, risk aversion, or being afraid of failure, is another cultural factor affecting the establishment and sustainability of startups. Therefore, the fear of failure is one of the reasons why people do not start businesses, even though they might want to. As a consequence, this thread is discouraging and often constitutes a push to start a venture. The finding also shows that Entrepreneurs need role models or hero entrepreneurs to follow, as well as a social space to share experiences with other entrepreneurs, either in success or failure, to boost enthusiasm for entrepreneurship. It is suggested by the informants that to strengthen and improve the mindset of entrepreneurial culture, it is needed to have initiatives and business opportunities to differentiate and enlarge the status of entrepreneurship that can inspire people to desire entrepreneurship. Also, it is crucial to make the campaign show models or heroes who are successful to raise awareness about entrepreneurial culture. Therefore, when a society has a better perception of entrepreneurship status, entrepreneurship roles and status will receive better support from the government and related agencies.

Another point of view from the key informants defines entrepreneurial Culture as significant for entrepreneurship in Lao PDR. Cultural and political consequences are initially considered when launching a business, so any activity related to investment should not have a negative impact on culture and politics. For example, having Vietnamese business partners seems to be more stable than having other nationality partners. Another entrepreneurship culture is based on the characteristics of business operation trends. Currently, entrepreneurship in a global context focuses on and ensures that business operations care about human rights, animal rights, and product quality that is safe for our health and the environment.

In Lao PDR, environmental concern in product design is still very new. However, culture and entrepreneurship are interrelated, as are culture-based production and services, including silk and cotton hand-made products and other traditional and cultural tourism products.

Furthermore, businessmen have to be careful with their business activities that may infringe on local traditions; otherwise, they will get complaints from local people. The norms and traditions limit and might cause difficulty in entrepreneurship development. Generally, Lao people earn their living mainly for self-sufficiency, which is environmental dependency, and slowly live. They mainly produce to supply their own family or community consumption. The informant, who is from the bank, states that, in comparison with the fish farming, the local fish farmers raise the fish on their own farms, have no experience in farming management, and cannot access the market. Chinese men lease the land and the fish farms from the local farmers. Even though the Chinese men pay for their immigration, including visas, stay permits, etc., they still make more profits than the local farmers.

The informants from government agencies and policymakers proposed that entrepreneurs need to see the market clearly to invest in a business. It would be good to start on a small scale to learn and grow in a sustainable way. Educational institutes, parents, and others need to support youth to see entrepreneurship as a career and find an innovative way to introduce entrepreneurship at different levels of education institutions to change the traditional attitudes toward entrepreneurship. The limitation of cultural entrepreneurship in Lao PDR needs to be made known through educational institutions, applied technology for new businesses, and lessons learned from neighboring nations as well as ASEAN nations. Moreover, their business pattern is characterized as conservative in terms of market competition; other entrepreneurs would get advantages over Lao entrepreneurship since they incorporate innovative technology into their production.

3.2.3 Supports and infrastructure

Under this domain, the focus was on areas of support mechanisms currently available for entrepreneurship development and also on critically reviewing the current support

mechanisms available to identify areas of gaps. A review of previous studies and the findings from the FGDs is indicative of the fact that Lao entrepreneurs still lack business support like professional support, infrastructure, and public support. Due to the lack of incubators and accelerators, entrepreneurship events and workshops are rare. Even though the entrepreneurs association organized an event and exhibition of entrepreneurship for the public to better understand its status. From our preliminary research, the study found that a variety of training courses focus on technical and vocational training (TVET) for poor households. It would be a big positive impact to consider integrated entrepreneurship in to some selected training courses to build an awareness on entrepreneurial education. There are also oversea. Chinese and Vietnamese chambers, which offer networking space for oversea Chinese and Vietnamese entrepreneurs. Incubation centers and entrepreneurship knowledge centers are needed in order to support people who want to start businesses, and relevant key players, especially government bodies, must raise awareness about the importance of service centers and provide relevant skills and information to entrepreneurs. In addition, improvement of IT skills for business owners and managers is required for workshops and training. It is also recommended that it is important to support business by enhancing networking and collaboration with all business associations in Lao PDR to share knowledge and skills.

Currently, many financial institutions have become involved in boosting entrepreneurs in Laos, including Micro, Small, medium, and large enterprises. For example, the senior officer of the Bank of Agricultural Promotion states that previously a single entrepreneur was not approved to loan, and it is a very interesting new policy to support a young entrepreneur that a single entrepreneur can also loan for their business extension and Start-up business. However, there are needs for knowledge, capacity, and self-development in entrepreneurship. Another support-needed for entrepreneurship is to be supported by policymakers and related government agencies to promote local products and services in local, regional, and international markets. Currently,

Lao entrepreneurs need more support from government agencies, policymakers, and international organizations. In terms of regional integration, the informants are concerned that they would rather lose than gain from development. Therefore, local entrepreneurs propose to the government that it monitor and prioritize the professions and businesses of Laotian entrepreneurs.

The first business law declared In Legal and related regulations on enterprises was in 1994. In 2005, some clauses of the business law were improved, and it was changed from a Business law to an Enterprise Law. The law was improved again in 2016 (Ministry of Justice, Department of Legal Service, 2016). Other related legal documents include the Law on SMEs, the Law on Promotion of Investment, the Foreign Direct Investment Promotion Act, and regulations-on investment such as the Tourism Law. However, it is still really needed for strong cooperation between the public and private sectors in this movement.

3.2.5 Human capital and entrepreneurship education

This domain covers both labor and educational institutions and attempts to understand the effect of accessing qualified human resources in the nation and its impact on entrepreneurs in terms of business creation and development.

The participants in the FGDs acknowledged that human capital and skills are two of the biggest constraints faced by entrepreneurs in Laos. The underlying causes of labor shortages are complex and interrelated, involving challenges with the education system, wages, and policy. However, human capital is the key to startups and business growth. Actually, many people want to start their own businesses, but they do not know how to start them and grow them successfully. They lack the basic knowledge and skills in entrepreneurship and business management to enable them to start their businesses.

Entrepreneurs really agree that entrepreneurship and business education are very important, especially in training centers. Most micro, small, and medium entrepreneurs receive informal education from family members and friends. Indeed, very few have formal vocational training. Mainly, the

informants are concerned with the issue of a lack of professional human resources, especially skill gaps such as Knowledge of business formalization procedures, basic financial literacy, and business operation skills. In addition, on the demand side of the labor challenge that Laos' entrepreneurs faced, there was also a lack of employees with sufficient soft skills for the modern workplace. This happened due to the current educational system, which does not provide the skills required by entrepreneurs.

Furthermore, the key informants indicated that this was largely representative of the entire ecosystem. Entrepreneurs attributed this to a gap in the higher education curriculum, which requires subjects related to social entrepreneurship and English communication skills to be developed for self-learning via online and social media. Another issue is that there are very few role models or successful entrepreneurs with well-known local businesses to learn from (Kyophilavong, 2018). Yet, a wave of younger people is showing more interest and enthusiasm for entrepreneurship, particularly in tech-related sectors. Recent efforts have been geared towards training and retraining entrepreneurs; some universities are creating entrepreneurship centers, and most government schemes are realizing the need to not only provide funding for infrastructure but also financial support for human capacity building in the entrepreneurial ecosystem. Training courses and workshops catered toward soft skills can be supported by the government as well as private sector organizations such as the Lao National Chamber of Commerce and Industry (LNCCI).

Human capital is skilled and qualified entrepreneurs as well as skilled employees in enterprises. Human capital is a high-risk investment for enterprises. There are many cases where local enterprises import skilled labor from overseas instead of employing the unskilled local population. The informants, especially entrepreneurs, complain that vocational education and higher education need to improve the curriculum and cooperate with the market to ensure that the students learn based on market needs such as critical thinking, IT skills, and professional communication. Lessons learned from current education: at the

moment, there is a need to open more opportunities for stakeholder participation and to focus more on practices that students can experience through intensive training. Based on the current curriculum, there is also a need to extend student internships for longer than three months. For example, if a student from the Architecture Department is assigned to design five-star hotels, he or she has no experience with five-star hotels. Therefore, human capital is a key to sustainable business (Polchalern, 2021). The support from whole-hearted cooperation among government agencies, financial agencies, and education institutions is very important (Vongsouvanh, 2021).

Especially educational entrepreneurship is needed to prioritize and motivate the youth to see entrepreneurship as a new area of occupation. Educational Institutions have been promoting entrepreneurship courses in both vocational and higher education institutions in Lao PDR in all business courses and non-business courses to enhance capacity building in the area of entrepreneurship (Salitxay, 2021).

In terms of human capital in the aspect of Entrepreneurship, it is very important to learn and experience entrepreneurship by having an innovative idea, starting a small business, and learning from family businesses. In conclusion, the best mechanism for knowledge transfer in entrepreneurship is learning by doing. This could be done through educational institutions, entrepreneurs associations, and training (YiLatchay, 2021).

Education is required for startup businesses that require more specific technical skills. They may be able to find these through networking with like-minded entrepreneurs in co-working spaces and events or by encouraging their employees to take online courses and engage in on-the-job training. However, in order to implement plans and strategies for the promotion of more effective entrepreneurial education, there are several issues and challenges to overcome. First, entrepreneurship education requires well-trained and experienced entrepreneurs. Second, learning materials and literature on entrepreneurship to support entrepreneurship are also limited in terms of language and ICT skills to access data sources. Third, there is a lack of funding to support planning and strategy, as most funding

for higher education depends on donors. Therefore, it is essential that training and capacity building for lecturers and teachers on these issues be provided. Also, the development of relevant teaching materials, documents, and case studies in this area is necessary. The government should provide funding to support these activities in collaboration with the private sector and education institutes.

3.2.6 Entrepreneurship markets

Under this domain, information about efforts from the government and other related agencies to improve the current market for entrepreneurship and the possible gap in this domain is discussed. In terms of technical assistance and training on the regulatory framework required by markets, the capacity of entrepreneurs to gain market access also becomes a concerning issue as a result of increasing market competition and the complexity of consumers' behaviors. Two major constraints related to market access are limited access to market information and ability to enter new market. Entrepreneurship is recognized as a career that needs strong support from the government and international agencies. It seems to be a hard-working responsibility with high risks in comparing to government employment. It is an interesting lesson learned from the case of Indian entrepreneurs who invested in education and returned to contribute to the development of entrepreneurship in their home country (Chalernpol, 2021). Currently, the market still requires a comprehensive marketing mechanism via online and offline channels for customer accessibility. There is a reason why consumption and non-consumption in our home country are more expensive than in our neighboring countries. The reason is that the main products are imported rather than exported (Somphanvilay, 2021).

For marketing information, there is a lack of comprehensive, accessible information on investment activity in Lao PDR. Information on investments in Lao PDR is not aggregated and publicized on Internet platforms or in any other form. Published information is believed to provide useful insights into market conditions and current trends for entrepreneurs, which can lead them to enter the market efficiently due to the fact that they will be able to build up an in-depth picture of what customers want, how they

behave, and which of their marketing approaches work. For this challenge, the government and relevant organizations should build up an information center and ensure easy access, such as through a network platform to introduce new products. This would also help to develop information accessibility. It is a challenge for local entrepreneurs to access regional and international marketing. It is recommended to analyze the market strategy, analyze the strengths, weaknesses, opportunities, and threats, and then design for the regional and international markets, as well as learn to cope with the accidental issue of disease spread. (YILATHCHAI, 2021).

In addition, resource management and production are also significant for manufacturing and cause high prices even for products produced in the country when compared to imported products. Another challenge mentioned by interviewees is that entering a global market requires expertise and knowledge of the global market requirements of the World Trade Organization (WTO). This will require additional advisory and preparatory technical assistance and policy reforms. The government of Lao PDR should introduce a regulatory environment that helps facilitate to a global market.

4. Discussion

To define the terminology of entrepreneurship based on reviews and interviews with entrepreneurs and policymakers based on the purpose and activities related to the mission and vision and gender. This domain of entrepreneurship definition focuses more on the perspectives of entrepreneurs on sustainable development and entrepreneurial ecosystem mindset.

The issue of finance is not the most important factor in operating a business. The most important factors from the interview are the mission, experiences, and human capital. However, entrepreneurs state that finance is the second most important factor when they want to expand their business activities. Human capital is a very important factor, as it requires high entrepreneurial skills and employment management to be able to access regional and international markets. Cultural entrepreneurship in Lao PDR is considered a risky and hardworking career. Even though the

government reduces the quotas for government employment and promotes entrepreneurship as a career in order to encourage the youth to change their attitudes and engage more in entrepreneurship rather than waiting for government employment, in order to achieve the aim of the government, it needs support from all stakeholders and promotion through various media and appropriate channels to empower local entrepreneurs to gain from development projects in Lao PDR.

An entrepreneurship training center should be considered one that provides access to entrepreneurship information, skills, personal mentoring, and consulting services. It would also be great to empower existing ecosystem entrepreneurs; the SME Center should organize trainings, workshops, and facilitate the sharing of entrepreneurial experiences. This could then develop into a network of investors. Entrepreneurial education requires improved collaboration among higher education, vocational education, high schools, and related associations.

In fact, the term entrepreneurship came into existence when the government of Lao PDR introduced the new market mechanism to drive the Lao economy in 1986. Entrepreneurship ecosystems are based on the conceptual framework of Isenberg (2010). The Policy regarding entrepreneurship is mainly based on enterprise law, and even the law and other related legislation on enterprises have been improved, but stakeholder participation is still limited. Therefore, the policy focuses more on benefits for public authorities, and policymakers and entrepreneurs are the risk takers. It is suggested that to develop the entrepreneurial ecosystem in Lao PDR, it is necessary to raise awareness, improve a practical policy, inspire entrepreneurs, and establish learning platforms through workshops and innovative entrepreneurship solutions.

5. Conclusion

In an attempt to draw an overview of social entrepreneurship status in Lao PDR. Based on the findings from both document research and interviews with key informants from selected relevant organizations that play an important role in entrepreneurship development, it is confirmed that entrepreneurship in Lao

PDR is adversely influenced by several challenges.

The entrepreneurship competency development program contributes to accessing finance to lower the risk of the bank loan, knowledge sharing from networking through human capital, increasing collaboration amongst entrepreneurs, and promoting potential entrepreneurs to change the traditional mindset of the entrepreneurship culture.

6. Conflict of Interest

We certify that there is no conflict of interest with any financial organization regarding the material discussed in the manuscript.

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