Succession

Ho Manh Toan

Phenikaa University

Hanoi, Vietnam

January 22, 2021

Economics is a story of succession. Empires come and go, but some have firmly stood the test of time. They are still alive because they can successfully turn their economic power into a generational legacy.

My parents started their business venture as builders. They built houses and then slowly purchased properties. After around 20 years, they ventured into a new territory of business: house paint. This time, they not only provided business service but also took part in their own manufacturing firm, having its own brands and long-term plans. Indeed, my father planned to get my brother and me involved in the family business.

Unfortunately, life has a different plan.

Succession is a relatively new idea in Vietnamese society. After all, the last war ended only 46 years ago, and the economy has started taking off for 35 years only. A study on entrepreneurial activities suggested that Vietnam's socio-cultural and economic environment has been shaped by bloody wars and conflicts, thus leaving a mindset of short-termism in any economic activity in the country [1].

After the *Đổi Mới* in 1986, a new socialist-oriented market economy has breathed a new life into Vietnamese people's economic life. Some small-and-medium enterprises slowly mature into multi-billion-dollars multinational corporations. Others remain to be SMEs or even micro-enterprises, but they have created a strong foundation for the next generation. Surviving two financial crises in the 1990s and early 2000s [2], Vietnam is going strong with a new landmark such as the PPP-adjusted gross domestic products (GDP) had exceeded

US\$ 1,005 billion according to the new IMF calculation. Younger generations are also receiving a better education, and their senses of business are also developed since a younger age [3].

Succession requires harmony between generations. Even though the Vietnamese culture emphasizes children's obedience to the family's direction [4,5], younger generations with their international mindsets are changing quickly. Thus, the succession requires more delicate methods, especially with traditional or heavy industries. The mindsponge mechanism [6,7] can be a viable way for parents and their children to learn and unlearn new values.

When my brother went back to Vietnam after graduation in 2013, he started working at a Japanese company. The plan was to work for the Japanese company until he could take over the family business. He quit his job and followed his passion in academia. When I went back in 2017, I started working as a researcher [8]. I believe the succession is unsuccessful for a simple reason: while my parents learned to build a house, my brother and I wanted to learn how to think and communicate our thinking to the world, to which academia belongs. However, the continuation is in a different form. Their diligence, resilience, kindness, and entrepreneurial spirit have been carried on to the next generations.

References

- [1] Vuong, Q. H., & Tran, T. D. (2009) The cultural dimensions of the Vietnamese private entrepreneurship. *IUP Journal of Entrepreneurship Development*, VI(3-4), 54-78.
- [2] Chính, P. M., & Hoàng, V. Q. (2009). *Kinh tế Việt Nam: Thắng trầm và đột phá*. Nxb Chính trị Quốc gia, Hà Nội.
- [3] Vuong, T.T., Semerák, V., and Vuong, Q.H. (2019) The Vietnamese Economy at the Crossroads. In: Macdonald R. (eds). *Southeast Asia and the ASEAN Economic Community*. Palgrave Macmillan, Cham.
- [4] Vuong, Q. H., et al. (2020). On how religions could accidentally incite lies and violence: Folktales as a cultural transmitter. *Palgrave Communications*, 6, 82.
- [5] Vuong, Q. H., et al. (2018). Cultural additivity: Behavioural insights from the interaction of Confucianism, Buddhism, and Taoism in folktales. *Palgrave Communications*, 4, 143.
- [6] Vuong, Q. H., & Napier, N. K. (2015). Acculturation and global mindsponge: an emerging market perspective. *International Journal of Intercultural Relations*, 49, 354-367.
- [7] Vuong, Q. H. (2016). Global mindset as the integration of emerging socio-cultural values through mindsponge processes: A transition economy perspective. In J. Kuada (ed.) *Global Mindsets: Exploration and Perspectives* (pp. 109-126). London: Routledge.
- [8] Ho, M. T. (2021). The First Three Years. *OSF Preprints*, doi:10.31219/osf.io/kqpmv.