

How to Cite:

Giang, V. T., & Huong, V. T. M. (2022). Business households in the context of Vietnam's culture and law. *Linguistics and Culture Review*, 6(1), 127-142.

<https://doi.org/10.21744/lingcure.v6n1.2069>

Business Households in the Context of Vietnam's Culture and Law

Vien The Giang

Banking University Ho Chi Minh City, Vietnam

Vo Thi My Huong

Ho Chi Minh City University of Technology and Education, Ho Chi Minh, Vietnam

Abstract--The article analyzes and clarifies the position and role of business households in the system of business entities in the market economy in Vietnam. From its small-scale position, restrictions on the rights to use labor, and business locations, current Vietnamese laws have established provisions to ensure equality in legal status, autonomy, and self-responsibility on business transactions of business households. However, the business household is built and managed based on the family, the members of the business household both show blood relation and economic relation. Therefore, the family traditional cultural factors have a huge impact on the internal and business relations of household businesses. The traditional family relationship and the relationship among the members (of the business household) in the business relations related to asset liability and the development support policy of the State will form the pillar to promote the development of household businesses to become an important and indispensable part of the market economy and international integration in our country currently.

Keywords--business household, culture, family, law, Vietnam.

Introduction

In every country, the household economy always plays an indispensable role. The household economy is organized based on the family, which is formed based on marital or nurturing relationships. The effectiveness of family economic activities will directly determine the quality of family's life in both material and spiritual aspects. The economic function of the family is expressed in the aspects of production, accumulation of material wealth, and consumption. The method of organizing the family economic activities is strongly influenced by culture and the

family traditions, and it is often inherited and developed (Alsos et al., 2014). Up to now, the family economy has played the role of a production unit of material wealth for the society, through production and business activities, and have been a major consumer of products produced by the economy. Therefore, the family is an important factor to promote economic development (Carter et al., 2017). Depending on the level of development and the tradition of each country, the economic activities of the household are represented in the form of a company or an economic group that is managed based on the family tradition. The cultural tradition of the family has a direct influence on the organization and operation of economic models managed by households (Masuo et al., 2001).

In Vietnam, family is still considered the top priority in life, followed by health, employment, income, friends, education, leisure time, social position, religious beliefs and politics. The creation of a family through the marriage relationship has gradually shifted from the main economic institution to the main psychological one. Criteria for selecting families that are similar in terms of economic conditions and social position such as “social background between bride and bridegroom's families” is almost no longer a value to pay attention to in the standard scale for choosing a life partner. In modern families, especially in urban areas, collectivism and community are on the decline (Tran, 2020). The market economy, modernization and globalization affect family values, because they create qualitative changes in all areas of social and personal life, from economy, politics to culture, in which the position and role of family economic activities become increasingly important. There is a popular trend that young families, in many ways, within their ability to cultivate themselves, establish a career, build a prosperous, happy and economically independent family (independence from previous generation). Economic activities of households are also very diverse, such as taking advantage of location such as houses on big streets, houses with frontage or the role of internet Khanal & Mishra (2016), to run small businesses or build businesses through the establishment of modern business models as enterprises, business households.

Legally, business household has been officially recognized since 1990, and it has reflected in the Enterprise Law 2005 (Article 170, Clause 4) and continued in the Enterprise Laws 2014 (Article 212, Clause 2) and 2020 (Article 217, Clause 4). Until 2015, the legislative decision on business household was heavily influenced by the provision on “household” in the Civil Code 2005 in which members of the household have common property, together contribute efforts to common economic activities in the production of agriculture, forestry, fishery or a number of other products and business fields prescribed by law (Civil Code No. 33/2005/QH11 dated June 14, 2005, Article 106). Accordingly, a business household is an independent civil legal entity, civil transactions, including transactions for business purposes established and performed by the representative of the household, for the common benefit of the households, which give rise to rights, and obligations of the whole household (Civil Code No. 33/2005/QH11 dated June 14, 2005, Article 106, Clause 1). When the Civil Code 2015 was promulgated and took effect, the household was no longer a subject of civil law, but the members of the household had independent status in civil transactions (Civil Code No. 91/2015/QH13 dated November 24, 2015 Article 101, Article 102, Article 103, Article 104).

Decree No. 01/2021/ND-CP dated January 4, 2021 of the Government on business registration (hereinafter referred to as Decree No. 01/2021/ND-CP), a business household is registered by an individual or members of a household and is responsible with all its assets for the household's business activities. When household members register a business household, they shall authorize one member to act as the representative of the business household (Article 79, Clause 1). The organizational form of the household business model is still based on the family foundation and is strongly influenced by business decisions. From a legal perspective, a business household is a trader who is allowed to conduct commercial activities to make a profit, has the right to freely establish and conduct business transactions, and is responsible with all its assets for business transactions. In terms of responsibility in business, business households must be responsible with all their assets and this is the joint responsibility. Activities and responsibilities of business households, to a certain extent, are still governed by traditional family factors; regulations and boundaries between legal regulations and decisions of the “pillar of the family” are very fragile, which can affect the rights of members of the business household as well as the partner who is the rightful party in business transactions performed by the household (Gautier, 2020; Cashmore, 2011; Azzis, 2021).

Research Method

Legal research can be divided into normative legal analysis and empirical legal research. A normative juridical study of law as a norm that uses a positivist logical concept and is identical with written norms by trying to find whether the law is suitable to be applied to solve a particular problem, so that, this paper is based on qualitative research method. In qualitative research, the authors mainly use secondary document analysis such as: books, articles published in scientific research journals, and articles, reports of authorities at all levels. The source of research data is material law that is where the legal material is taken that helps the formation of law. Legislative documents are collected from Doi moi (1986) up to now which focus on regulation for business households. To clarify the points in the article, the authors also use a systematization method, a comparative method to clarify how to develop business households in the context of Vietnam's culture and law (Bahadir & Valev, 2017; Licht et al., 2005).

Research Results

Household's business awareness and practice: from tradition to modernity

Traditionally, Vietnamese people do not like business, but attach importance to learning. Therefore, business and commerce ranked last. However, Vietnamese people also have the experience that if they want to get rich, there is no other way than business. Business models associated with agricultural practices and traditions are formed accordingly. Agricultural production is associated with households as the main occupation. In addition to agricultural production, households also need to exchange, buy and sell goods to serve their living needs. In the countryside, the trading activities *“are only for barter for local products, but industry is not prosperous, so trade is not prosperous. The traders in the markets are mostly female farmers. In the free time, they do business to earn extra income.*

The trading activities in urban areas are more developed than the market which is the economic center of a province or a region.” (Dao, 2000). Household business is a popular business model or form and is considered suitable for the economy that is mainly small-scale, closed and prone to family or interest factors. Business lines from the association between business households have gradually become popular, familiar and existed as an independent part of the economy despite efforts to establish a legal framework to regulate.

According to Ngo (2009), before the French invasion, the agricultural life, the policy of seclusion, and the influence of Confucianism, as well as the patriarchal system, prevented the trade from developing; business relations and the household are dominant elements. Despite appearing for hundreds of years, the process of receiving economic law (commercial law), including corporate law, is still unfamiliar to business people and the Vietnamese public due to the influence of business culture following family method (Pham, 2013). This is evidence for the emergence and objective existence of the family business household model or the association of a group of individuals. Compared with other countries, business households in our country have had the formation and development, which “*bear the imprint of the State's subjective efforts, have a little difference from the traders who are formed naturally and normally in countries with a traditional market economy but only controlled by the state*” (Ngo, H.C., p.234-235).

In the economic aspect, business household is a typical business model of the household economy, which is formed and developed in parallel with the innovation process in order to release production power and maximize the mobilization of social resources for the purpose of economic development. From a legal perspective, business households exist independently, even in the absence of regulatory legal documents, business households and the household economy become a typical feature of an economic model that does not encourage trade as in Vietnam. The state has paid attention to legislative efforts to create a legal basis for a business model run by an individual (one or more individuals) and has promulgated many legal documents to adjust to the reality of business development, and management needs of the state with many different names.

Assessing the position and role of business households, Vu Tien Loc said that business households are the “premise” for the economy, the beginning of the country's start-up; many business households employ tens and hundreds of employees, but in essence they have been the most true private enterprises (Vu, 2019), and have made important contributions to the development of the national economy through tax obligations, employment creation, income generation for workers. Moreover, business households have also provided goods and services to the society, and improved the living standards of the people (Hoang & Nguyen, 2019). As of 2018, the whole country has more than 5.1 million non-agricultural business households, employing more than 8.78 million workers. The number of individual business households mainly operates in the trade and service industries (accounting for 82.13% of the total number of households), of which 2.3 million households (45.4%) operate in the wholesale, retail, the repair of automobiles, motorcycles and another motor vehicle; 824,000 households (16%) operate in the field of services, accommodation and food. Wholesale, retail and services of accommodation and food are also two industries employing more than

5 million laborers, accounting for 57.9% of the total number of laborers in business households. Business households are the group of economic organizations in the largest numbers, play an important role in employment creation; are the “stabilizing factor” of the economy during periods of economic upheaval as well as economic development in remote and isolated areas (Government of the Socialist Republic of Vietnam, 2019, p.35-36). Accordingly, households engaged in agricultural, forestry, fishery, salt production, and street vendors, nomadic or seasonal businesspeople, and service providers with low revenues (The People's Committees of the provinces and centrally-run cities shall prescribe the low-income levels applied on a local scale) are not required to register business households, except for business in conditional sector (Decree No.01/2021/ND-CP, Article 79, Clause 2). Thus, in rural areas, the economic activity of the household during leisure time has contributed to the formation of a significant number of professional business households, not only at the family scale but also connections between groups of individuals. The professionalism and responsibility of these business households have been gradually confirmed and become an address for job creation and income generation for rural workers (Akpalu et al., 2012; Danes et al., 2007; Nyandra et al., 2018).

In urban areas, households associate with one another by professions and business locations, mutually support and help one another develop in business and gradually form specific business cultures. Business households in urban areas have confirmed the market segment, the number of customers has been relatively stable, and at the same time, gradually participated in the supply chains of goods and services, which often have a closed nature (Ram et al., 2001). Assessing the change of business households, the author Pham, D.N. said that in rural and urban areas, it was found that rural areas with agricultural and handicraft activities, where the family economy is the mainstay, family members create community wealth. On the contrary, in industrial society and urban life, community ownership in the concept of the family economy will gradually decrease insignificance, but instead, private ownership of each individual will become important (Pham, 2013).

From the above analysis, it can be seen that business household or household economy is a part of the national economy. The formation of the business household that have become an independent part of the national economy is both a continuation of the household economy in history, reflects the characteristics of the agricultural economy and the difference between the rural and urban areas. The existence and development of business household are self-contained, and interventions by the “legal framework” do not seem to attract much attention of household heads. Business households desire to have as little contact or carry out little legal procedures as possible. The reason for this phenomenon is that business households have origins, awareness and influence of regional culture. Therefore, the legislative attempt to establish “equal position” with enterprises to create motivation for business households to develop is an unconvincing argument and not feasible in practice.

The process of transforming the legal regulations on business households: unification of names and removal of restrictions

Name unification

In the period of centrally planned economy and subsidies, although the State implemented the national economy, there were mainly two components: the state-owned economic sector was owned by the entire people and the cooperative economy was collectively owned by the working people, in which the state-owned economy played a leading role in the national economy and got priority development (Constitution of Vietnam 1980, Article 18), but the State also encouraged, guided and helped individual farmers, artisans and other individual workers move on to the path of collective business, organization of production cooperatives and other forms of cooperation and assistance on the voluntary principle. Small traders are guided and helped to gradually transition to production or other suitable occupations. The law stipulates the extent to which individual workers are allowed in the fields of agriculture, small industry, handicrafts, fine arts, and services (Constitution of Vietnam 1980, Article 24). From the provisions of the 1980 Constitution, it can be seen that the State still recognizes, encourages and guides those, who do not do collective business according to the cooperative model, so that they can exist and conduct business activities (Maksymova et al., 2021; Sadguna et al., 2017).

Entering the reform period, before promulgating the 1992 Constitution to replace the 1980 Constitution, Decree No. 27-HDBT dated March 9, 1988 of the Council of Ministers (now the Government) stipulated the policies for the individual economy, private economy, business, industrial production, industrial services, construction, and transportation. This Decree officially recognized business households in the form of individual economic households, private business economic households for industrial production, industrial services, construction, and transportation. They are organized under many names and have distinct signs (Table 1). Individual economic units and private business economic units are the self-governing economic units, completely voluntary, deciding all production and business issues by themselves, taking responsibility for their income, profit and loss.

Table 1

The name of business household according to decree No. 27-HDBT dated March 9, 1988, of the Council of Ministers (now the Government)

Name	Identification signs
Individual households	<ul style="list-style-type: none"> - The means of production and other capital are the property of the owner in the registered name of the business. - Business registration owners must be direct employees. Other employees must be parents, spouses, children; and if they are relatives, they must be listed in the household registration book of the business registration owner. - Income after taxes is owned by the householder.

Small-industrial households (factories, shops...).	<ul style="list-style-type: none"> - Means of production and other capital owned by the householder. - The right to hire labor according to the contract between the employer and the employee. - The householder is a direct worker or plays a major role in production techniques and self-managing production and business. - Income after taxes, and income after paying wages to employees are owned by the householder.
Private enterprises, including the production-business organizations of the same nature such as private enterprises, joint stock companies, private business complexes.	<ul style="list-style-type: none"> - The means of production and other capital are owned by the owner of the enterprise. - The owner of the enterprise can be a person or a group of people who have capital and voluntarily enter into a joint venture. - The right to hire labor according to the contract between the employer and the employee. Shareholders choose their own representatives for business registration and enterprise management. - Profit after taxes are owned by the owner of the enterprise (if only one person) or divided according to capital contribution (if there are many people).

When the State advocates the development of a component commodity economy according to the market mechanism under the State's management, according to the socialist orientation (from 2001, it was revised to become a socialist-oriented market economy), the individual economy and the private capitalist economy may choose the form of the production-business organization, and may establish an enterprise without limitation on the scale of operations in the industries and occupations which are beneficial to the nation's livelihood. Families economy are encouraged to grow (The 1992 Constitution of Vietnam, Article 21). These are important legal prerequisites for the development of legal regulations on business models for the individual economy and the family economy.

To implement this policy, the National Assembly promulgated the Enterprise Law 1999 - the law regulating the establishment, organization, management and operation of various types of enterprises: limited liability companies, joint stock companies, partnerships and private enterprises, in which the business household model is assigned to the Government to guide and create favorable conditions for individual business households which have a a large scale and are operating under Decree No.66/HDBT dated March 2, 1992 of the Council of Ministers..., in order to transform into an enterprise which registered for business and operated in accordance with the Law on Enterprises. Guidance on regulations on individual business households is one of the contents of Decree No. 02/2000/ND-CP dated February 3, 2000 of the Government on business registration. Accordingly, an individual household business is a business model owned by an individual or a household, doing business at a fixed location, not regularly hiring workers, not having a seal, and taking full responsibility with all his assets for the business (Decree No. 02/2000/ND-CP dated February 3, 2000 of the Government on business registration, Article 17, Clause 1). The name of the business household is continued to be inherited in Decree No. 109/2004/ND-

CP dated April 2, 2004 of the Government on business registration, but there are many restrictions on business locations (only registered at one location), the number of employees is allowed to use no more than ten employees, there is no seal, and they are responsible with all their assets for business activities. When an individual business household employs more than ten employees or has more than one business location, it must be transformed into an enterprise (Decree No. 109/2004/ND-CP dated April 2, 2004 of the Government on business registration, Clause 1, Clause 2, Article 24). However, until the Enterprise Law 2014, the concept of small-scale business households continued to be recognized.

Small scale and many limitations in operation

In terms of legislative history, legislators have not considered business households as enterprises, but only regulated the conversion of business households into enterprises when regularly employing ten employees or more. Business household is the official name and is specified in detail in Article 66 of Decree 78/2015/NĐ-CP dated September 14, 2015 on Guidance on business registration procedures under the Enterprise Law 2014. Because business household have a variety of organizational models and needs, the limits including “only to register business at one location, employing less than ten employees” (Clause 1, Article 66 of Decree No.78/2015/ND-CP dated September 14, 2015 of the Government on business registration) and if household businesses employ ten employees or more, they must register to set up enterprises according to regulations (Clause 3, Article 66 of Decree No.78/2015/ND-CP dated September 14, 2015 of the Government on business registration), which seems to be ineffective in practice because business household have many different ways to “evade” regulations.

Despite making important contributions to the socio-economic life, especially creating jobs for a part of the population, the regulations on business households have also revealed a number of inadequacies, inconsistencies, and ambiguities as: i) the limited business rights, so it is only suitable for small-scale, limited business households in business areas; low level of productivity and contribution, competitiveness; ii) other disadvantages and risks: The disadvantage of the “unlimited” liability regime is that there is no limit on property liability, and no separation between the business establishment (household) from its representative (head of household), so the investment risk of the business household is very high, but the security of property ownership is low; iii) business households have connections with the unobserved economic sector and the informal economy, thus negatively affecting the business environment, causing difficulties for economic management (Hoang & Nguyen, 2019).

Research results of the Central Institute for Economic Management and Mekong Business Initiative show that: The biggest barrier to making business households “in the same level” with businesses in the market economy through the transformation of business households into enterprises is that switching to an enterprise model led to a change in the accounting system from flat tax to self-declaration, self-filing, self-printing and use of invoices, methods of managing books, supplementing human resources, building a management system, accounting records, incurring many costs and may disrupt existing production

and business activities. The fear of having to often “associate” with many administrative procedures and the current regulations on sanctioning administrative violations for businesses is twice as high as that of business households, which also makes many business households not want to “grow”. When comparing between business households, and enterprises formed from business households (post-transformation business households), the survey results show that quite a lot (about 40%) of surveyed enterprises and business households believe that after transforming to an enterprise, it is either more difficult or there is no change in the order, procedures and payable tax rate; in relations with other relevant state agencies (such as environment, security, inspection, examination...); in relations with tax authorities and officials directly collecting taxes,... Not many enterprises and business households choose the option that after registering in the form of an enterprise, the business will be easier in the procedures as well as the relationship with the authorities. This shows that the conversion of registration by business types is not really attractive to business households (Central Institute for Economic Management and Mekong Business Initiative, 2017).

Abolishing the regulation that small-scale business households are allowed to develop freely

Unlike the previous Enterprise Laws, The Enterprise Law 2020 stipulates that the Government shall regulate the registration and operation of business households (Enterprise Law No. 59/2020/QH14 dated June 17, 2020, Clause 4 Article 217) and is considered an appropriate legislative decision to ensure the distinction between business households and enterprises, especially the idea that the “small scale” business household is no longer maintained. The advantage of this legislative decision is to affirm in practice the legal equality of business households to other business models in the economy, without being “discriminated” as small in size or limited in number of employees as well as business locations. In other words, with a legislative decision such as the Enterprise Law 2020, business households have the right to self-determination in choosing an operating model, transforming or not transforming into an enterprise; and business households are responsible as well as have rights and obligations corresponding to the selected business model. Specifically:

Firstly, business household is a model exclusively for individuals, household members who are Vietnamese citizens and have full civil act capacity, have the right to establish business households as prescribed in this Chapter, except the following cases: i) Minors, persons with restricted civil act capacity; persons who have lost their civil act capacity; people with difficulties in cognition and behavior control; ii) People who are facing criminal prosecution, kept in temporary detention, serving an imprisonment sentence, serving an administrative penalty in a correctional institution or rehabilitation center, or is prohibited by the Court from holding certain positions or doing certain works; (Decree No. 01/2021/ND-CP, Article 80, Clause 1).

Secondly, stemming from the regulation that business households are “responsible with all their assets for business activities”, so individuals and household members are only allowed to register one business household in the

whole country; have the right to contribute capital, buy shares or purchase capital contributions in an enterprise as an individual, but cannot concurrently be the owner of a private enterprise. When a business household member wishes to become a general partner of a partnership, it must obtain the consent of the remaining general partners (Decree No. 01/2021/ND-CP, Article 80, Clause 3).

Thirdly, in order to improve professionalism in business, the current law allows business household owners to hire other people to manage and direct business operations of the business household, but business household owners, household members participating in business household registration are still responsible for debts and other asset-related liabilities arising from business operations (Decree No. 01/2021/ND-CP, Article 81, Clause 3). The owner of the business household and members of the household participating in business household registration are responsible for the business operations of the business household.

Fourthly, in terms of business locations, a business household can operate at many locations, but must select one location to register its head office and notify the tax authorities, the market surveillance authorities where business activities are conducted for the remaining business locations (Decree No. 01/2021/ND-CP, Article 86).

Fifthly, in terms of business lines, business households are not restricted in business lines on the principle that they are free to do business in fields not prohibited by law. Business households are entitled to engage in a conditional business line when all of the conditions are fulfilled as prescribed by law and must ensure that they are fulfilled throughout the course of its operation (Decree No. 01/2021/ND-CP, Article 89).

Developing business household in the current context of Vietnamese culture and law

Business household is an economic sector with a very important position in the socio-economic life of Vietnam. Despite making important contributions to creating jobs in both urban and rural areas, contributing to the state budget through tax obligations, business households have still not had access to the State's mechanisms and policies supporting in doing business as well as when facing difficulties due to economic fluctuations (such as an economic crisis) or being affected by social and environmental risks (such as the COVID-19 Pandemic) due to compliance with regulations about social distancing. In other words, the absence of policies to support and facilitate for business households (Institute for Economic and Policy Research, University of Economics - Vietnam National University, Hanoi, Institute of Training and Research - Joint Stock Commercial Bank for Investment and Development of Vietnam, Friedrich Naumann Foundation for Freedom Vietnam, 2021, p.6) is a legal gap that needs to be quickly completed. Specifically:

Firstly, regarding the subject matter of business households, there is a viewpoint that the law should have provisions to recognize business households as an official economic unit and have their legal status protected in transactions, because business households do not have a clearly established legal status.

Therefore, in relationships with partners, it is more difficult for them to build trust than groups of enterprises with legal status and a relatively fully regulated operating framework (Institute for Economic and Policy Research, University of Economics - Vietnam National University, Hanoi, Institute of Training and Research - Joint Stock Commercial Bank for Investment and Development of Vietnam, Friedrich Naumann Foundation for Freedom Vietnam, 2021). However, the current law has ensured that business households have legal status - as a legal subject in business transactions. This is demonstrated in the following aspects:

- Business household has its own name consisting of two elements in the order of the phrase “Business Household” and proper name. Proper names are written with the letters of the Vietnamese alphabet, the letters F, J, Z, W, may be accompanied by digits and symbols. To distinguish it from other business households, the proper name of a business household must not coincide with the proper name of a business household registered within the same district (Decree No. 01/2021/ND-CP, Article 88).
- Business household are established, based on registration procedures performed by the business registration authority of the district where the business household is located. Upon receipt of the application, the business registration authority of the district shall hand over the receipt and issue a certificate of business household registration to the business household within 03 working days from the receipt of a valid application. Thus, a certificate of business household registration is one of the conditions to determine the subject of a business household (Decree No. 01/2021/ND-CP, Article 87). According to the Commercial Law 2005, organizations and individuals who want to become traders must satisfy the conditions of having business registration and having commercial activities (Commercial Law No. 36/2005/QH11 dated 14/06/2005. Article 6).
- Business households have codes to manage. Accordingly, when granting a business registration certificate to a business household, the district-level business registration authority shall write the business household registration code on the Certificate of business household registration according to the following structure: i) Provincial code: 02 digits; ii) District code: 01 character in Vietnamese letters; iii) Type code: 01 character, 8 = business household; iv) Ordinal number of business household: 06 digits, from 000001 to 999999 (Decree No. 01/2021/ND-CP, Article 83, Clause 1).

Secondly, in terms of the organizational model, the current law does not have regulations on the organization and method of managing and directing business operations as well as the financial system of business households. With current regulations, the state and partners can only prosecute the representative of the household business. This will become more complicated, because in family relations, it is still popular the submissive and authoritarian elements in the decisions of the head of the family can pose risks to members of the household who have a blood relationship with the prejudice of “children who disregard parental advice will inevitably go astray” or “What the husband intends to do, the wife also does”. In addition, the empowerment and the absolute trust in the head of the family who is also the representative of the business household can push the business household to face many risks of losing their property while the

partner is in danger of being entangled in a lawsuit, because members of the household “unanimously” sue in order to declare that the transaction performed by the representative of the business household is invalid. In order for business household to develop sustainably and safely internally as well as with partners, it is necessary to soon issue regulations on internal management, defining the authority of the representative of the business household with the members of the household as well as defining the scope of responsibility of the household members to avoid risks or unnecessary losses.

In terms of the financial mechanism, in Vietnamese tradition, women are always assigned the responsibility of “economic and financial management in the family - the one who are good budgeter” (Tran, 1999), – a culture that lives in the unconscious, and permeates in every word and action (Bui, 2004), of a family member, so it can affect the business-decision making of the business household representative. Observing the practice of business household management shows that the husband is often “assigned” to act as the representative of the business household, and the decisions on business transactions and financial management are made by the wife. It also means that the wife, who actually makes business decisions, is actually performing business legal acts on behalf of the household. It is the final decisive role in both business and finance, so in a business household, the role of the wife is very important and is implicitly recognized as a way of taking care of the home, while the husband takes care of the big matters in the family. This requires the establishment of legal regulations on relative delimitation of investment capital and business capital of households with private assets for consumption purposes in order to avoid business households evading responsibility when the business operations suffer a loss.

Thirdly, in terms of the responsibilities to employees of business households, according to the provisions of the current Labor Code, business households have not been identified as employers, because the employer only include enterprises, agencies, organizations, cooperatives, households and individuals that hire or use employees to work for them as agreed. If the employer is an individual, he/she must have full civil act capacity (Labor Code No. 45/2019/QH14 dated November 20, 2021, Article 3, Clause 2). Therefore, when employing laborers, it is very difficult for state agencies to require business households to perform the obligations of the employer such as performing labor contracts, collective labor agreements and other legal agreements; respect the honor and dignity of employees; comply with the provisions of the law on labor, employment, vocational education, social insurance, health insurance, unemployment insurance and occupational safety and hygiene; develop and implement solutions to prevent and combat sexual harassment in the workplace...In other words, when establishing an employment relationship with a business household, it is very difficult for an employee to require the business household to comply Labor Code because a business household has not been identified as an employer. Besides, because business households mainly use household members, there is still a vague boundary between “education on the spirit of labor love” and forced labor, using child labor, not complying with regulations on occupational safety and health standards, working time, the rest time for employees. Therefore, supplementing business households as employers and building labor-management regimes as members of business households are essential to combat

the forced labor and the use of child labor (Nguyen et al., 2015; Pittino et al., 2020; Zambrano et al., 2021).

Fourthly, studying the addition of business households who become the supported objects to meet the requirements of respecting market rules and in accordance with international treaties to which the Socialist Republic of Vietnam is a signatory. The current law has provisions to support small and medium enterprises in accessing credit; tax, accounting; production premises; technology; incubation facility supporting, technical facilities, common working areas; market expansion, human resource development (Law on Support for Small and Medium Enterprises No.04/2017/QH14 dated 12/06/2017, from Articles 8 to 15). In addition, the Law on Support for Small and Medium Enterprises also stipulates to support business households that have registered and have had continuous production and business operations for at least 1 year from the date of issuance of the Business Registration Certificates for the first time when transforming into an enterprise that meets the criteria of being a small and medium-sized enterprise. It can be affirmed that the lack of regulations to support business households is a huge obstacle to the development of business households, because business households, like other business entities, must operate according to the market mechanism, take responsibility for business results, but without policies and laws to support development. Therefore, the right to equal treatment in business is not guaranteed.

Fifthly, according to the development of society, the independent trend of household members after marriage to form an independent economic unit, especially in urban areas, is gradually becoming popular. Household members are based on moral ties, which, to a certain extent, are significantly linked to decisions to “separate” the family's traditional business household to build a new business direction. This may be the cause of disagreement in the organization of household business management or opposition to start-up ideas (due to lack of trust, or the desire for children to continue the family tradition). From the perspective of business freedom - a basic human right in the Constitution, it shows that the tendency to separate from business households into new business models is inevitable. This will also become a premise for building family economic groups in the future. Therefore, setting up a mechanism to encourage start-up ideas, using business households and family as the fulcrum for development should be encouraged. The experiences from the previous generation's business household operations will be passed on to the next generation in the new business model and environment in the spread of tradition and family culture - a core value in Vietnamese tradition and culture. This is also the source of birth and nurturing people from birth to adulthood and has a direct impact on sustainable growth in terms of physical, mental (economic value).

Conclusion

Business household is a business model with a long history of development, attached to family and family members - a foundational institution of social construction. During its existence and operation, business households have made important contributions to improving the quality of the economy and family life, not only in urban areas but also in rural areas, especially creating jobs and

income for local workers. Through the course of development, the law on business households has improved in quality. Up to now, business households have existed, have had independent legal status, have been autonomous and have taken responsibility for their own activities. Discriminations, due to “small size”, restrictions on employment, and location of business, have been eliminated. However, because it is built on a family foundation with traditional features, it will certainly affect the management and operation of business household, especially the influence of family relationships on business and labor relations. Establishing the status of an employer and mechanisms and policies to encourage the development of business households are a factor to promote sustainable development of business households in the legal environment and family culture in Vietnam (Thulstrup, 2015; Spence & Lan, 2021; Plyth & Craham, 2020).

References

- Akpalu, W., Alnaa, S. E., & Aglobitse, P. B. (2012). Access to microfinance and intra household business decision making: Implication for efficiency of female owned enterprises in Ghana. *The Journal of Socio-Economics*, 41(5), 513-518. <https://doi.org/10.1016/j.socec.2012.04.020>
- Alsos, G. A., Carter, S., & Ljunggren, E. (2014). Kinship and business: how entrepreneurial households facilitate business growth. *Entrepreneurship & Regional Development*, 26(1-2), 97-122.
- Azzis, N. M. A. (2021). The application of principle of res judicata and estoppel in family law cases in Syariah court. *Linguistics and Culture Review*, 5(S4), 2102-2111. <https://doi.org/10.21744/lingcure.v5nS4.1928>
- Bahadir, B., & Valev, N. (2017). Catching up or drifting apart: Convergence of household and business credit in Europe. *International Review of Economics & Finance*, 47, 101-114. <https://doi.org/10.1016/j.iref.2016.10.006>
- Bui, N.S. (2004). *Building the law-governed state in the context of Vietnamese culture*, Judicial Publishing House, Hanoi.
- Carter, S., Kuhl, A., Marlow, S., & Mwaura, S. (2017). Households as a site of entrepreneurial activity. *Foundations and Trends in Entrepreneurship*, 13(2), 81-190.
- Cashmore, J. (2011). Children's participation in family law decision-making: Theoretical approaches to understanding children's views. *Children and Youth Services Review*, 33(4), 515-520. <https://doi.org/10.1016/j.childyouth.2010.05.008>
- Danes, S. M., Stafford, K., & Loy, J. T. C. (2007). Family business performance: The effects of gender and management. *Journal of business Research*, 60(10), 1058-1069. <https://doi.org/10.1016/j.jbusres.2006.12.013>
- Dao, D.A. (2000). *An Historical Outline of Vietnamese Culture*, Culture - Information Publishing House, Hanoi.
- Gautier, A. (2020). Family law across cultures (comparative family law). In *Cross-Cultural Family Research and Practice* (pp. 143-183). Academic Press. <https://doi.org/10.1016/B978-0-12-815493-9.00005-3>
- Hoang, X.N., & Nguyen, V.H. (2019). Formalizing the business households in Vietnam: Theoretical, practical and legislative aspects. *Journal of Legislative Research* No. 11(387).
- Khanal, A. R., & Mishra, A. K. (2016). Financial performance of small farm business households: the role of internet. *China Agricultural Economic Review*.

- Licht, A. N., Goldschmidt, C., & Schwartz, S. H. (2005). Culture, law, and corporate governance. *International review of law and economics*, 25(2), 229-255. <https://doi.org/10.1016/j.irle.2005.06.005>
- Maksymova, N. Y., Hrys, A., Maksymov, M. V., Krasilova, Y. M., & Udoenko, J. M. (2021). Causes and criteria of disharmonies in family system functioning. *Linguistics and Culture Review*, 5(S4), 300-310. <https://doi.org/10.21744/lingcure.v5nS4.1578>
- Masuo, D., Fong, G., Yanagida, J., & Cabal, C. (2001). Factors associated with business and family success: A comparison of single manager and dual manager family business households. *Journal of Family and Economic Issues*, 22(1), 55-73.
- Ngo, H.C. (2009). Legal analysis of business household to find out inadequacies, *Science Journal of Vietnam National University*, Jurisprudence, Vol. 25.
- Nguyen, L. D., Raabe, K., & Grote, U. (2015). Rural-urban migration, household vulnerability, and welfare in Vietnam. *World Development*, 71, 79-93. <https://doi.org/10.1016/j.worlddev.2013.11.002>
- Nyandra, M., Kartiko, B.H., Susanto, P.C., Supriyati, A., Suryasa, W. (2018). Education and training improve quality of life and decrease depression score in elderly population. *Eurasian Journal of Analytical Chemistry*, 13(2), 371-377.
- Pham, D.N. (2013). *Textbook of Economic Law*, People's Public Security Publishing House, Hanoi.
- Pittino, D., Chirico, F., Baù, M., Villasana, M., Naranjo-Priego, E. E., & Barron, E. (2020). Starting a family business as a career option: The role of the family household in Mexico. *Journal of Family Business Strategy*, 11(2), 100338. <https://doi.org/10.1016/j.jfbs.2020.100338>
- Plyth, P. S., & Craham, C. P. (2020). Translation affects literary and cultural systems: how to observe the features of translation?. *Applied Translation*, 14(1), 29-37. Retrieved from <https://appliedtranslation.nyc/index.php/journal/article/view/1141>
- Ram, M., Abbas, T., Sanghera, B., Barlow, G., & Jones, T. (2001). Making the link: households and small business activity in a multi-ethnic context. *Community, Work & Family*, 4(3), 327-348.
- Sadguna, D. N., Sulistiawati, N. P. A., & Astiari, N. K. A. (2017). Contributions of household income of farmers as palm crafts outside agriculture sector. *International Research Journal of Engineering, IT & Scientific Research*, 3(5), 86-96. Retrieved from <https://sloap.org/journals/index.php/irjeis/article/view/579>
- Spence, N., & Lan, N. T. T. (2021). Family sustainability and child protection in Vietnam. *Children and youth services review*, 122, 105884. <https://doi.org/10.1016/j.childyouth.2020.105884>
- Thulstrup, A. W. (2015). Livelihood resilience and adaptive capacity: Tracing changes in household access to capital in Central Vietnam. *World Development*, 74, 352-362. <https://doi.org/10.1016/j.worlddev.2015.05.019>
- Tran, N.T. (1999). *Cultural Foundation of Vietnam*, Education Publishing House, Hanoi.
- Tran, T.M.T. (2020). Current changes of Vietnamese families and some policy recommendations,
- Vu, T. L. (2019). A push for the development of 5 million business households, accessed on April 7, 2019

Zambrano, T. Y. M., Bravo, E. E. R., & Plaza, C. L. M. (2021). Ancestral knowledge of the clay oven in the traditional bakery as a contribution to the family economy of the Río Chico parish. *International Research Journal of Engineering, IT & Scientific Research*, 7(5), 185-192.
<https://doi.org/10.21744/irjeis.v7n5.1902>