

HO CHI MINH NATIONAL ACADEMY OF POLITICS

VO ANH TUAN

**THE HANOI MUNICIPAL GOVERNMENT'S SUPPORT
FOR HANDICRAFT PRODUCTS THROUGH E-
COMMERCE ADOPTION BY SMALL AND MEDIUM-
SIZED ENTERPRISES**

DOCTORAL DISSERTATION ABSTRACT

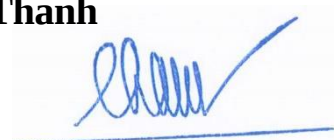
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Supervisors: 1. Assoc. Prof. Dr. Nguyen Vinh Thanh



2. Assoc. Prof. Dr. Vu Hoang Nam



Reviewer 1:
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Reviewer 2:
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Reviewer 3:
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INTRODUCTION

1. Rationale

In the context of globalization and digital transformation, cross-border e-commerce has emerged as a key driver of export growth, enabling enterprises to access international markets directly while reducing transaction costs. However, for small and medium-sized enterprises (SMEs), participation in cross-border e-commerce remains constrained by significant barriers, including information asymmetry, high compliance costs, and limited technological capabilities.

Against this backdrop, provincial governments play a crucial role in supporting SMEs by improving institutional frameworks, providing market information, and developing digital infrastructure. Such support is particularly important for the handicraft sector, which is characterized by fragmented production structures and strong cultural value. Although Hanoi possesses considerable advantages for the development of handicraft exports, the effectiveness of government support for SME exports through e-commerce has yet to fully realize this potential. Therefore, further research is required to clarify the role of local government and propose measures to enhance the effectiveness of its support policies.

2. Research Objectives and Research Tasks

2.1. Research Objective

This dissertation aims to investigate the theoretical and practical foundations of provincial government support for small and medium-sized enterprises (SMEs) in exporting through e-commerce. Based on this foundation, it examines the current support provided by the Hanoi municipal government, identifies its achievements and limitations, and proposes policy recommendations to enhance the effectiveness of government support in the coming years.

2.2. Research Tasks

To achieve the above objective, the dissertation pursues four main research tasks: (1) reviewing the existing literature to identify research gaps; (2) systematizing the theoretical framework on provincial government support for SME exports through e-commerce; (3) analyzing the current state of government support in Hanoi; and (4) proposing policy solutions to improve the effectiveness of such support in the future.

3. Research Subject and Scope

3.1. Research Subject

The research focuses on provincial government support for the export of handicraft products through e-commerce by small and medium-sized enterprises, with particular emphasis on support mechanisms, policies, and their effectiveness.

3.2. Research Scope

The study is conducted in Hanoi and focuses on SMEs operating in the handicraft sector. It examines government support measures, evaluation criteria, and the factors influencing the effectiveness of e-commerce-based exports. The analysis is based on data collected for the period 2018-2024, supplemented by a survey conducted in 2025.

4. Theoretical Foundation and Research Methodology

4.1. Theoretical Foundation

The dissertation is grounded in theories of government intervention, institutional economics, and organizational capability. These theoretical perspectives provide the basis for examining the relationship between government support policies and the export performance of handicraft SMEs engaged in e-commerce.

4.2. Research Methodology

A mixed-methods approach is adopted, integrating qualitative and quantitative research with secondary data analysis. The qualitative phase

involves expert interviews to develop the research framework, while the quantitative phase is based on a survey of 201 SMEs and employs statistical analyses using SPSS and AMOS. Secondary data are utilized to complement and validate the empirical findings.

5. Original Contributions of the Dissertation

From a theoretical perspective, the dissertation clarifies the role of provincial governments in supporting SME exports through e-commerce and develops an analytical framework linking government support with export performance. Methodologically, it proposes a set of criteria for evaluating the effectiveness of government support. Practically, the study provides empirical evidence from Hanoi and offers policy recommendations to strengthen government support for handicraft SMEs in the context of digital transformation and the digital economy.

6. Structure of the Dissertation

In addition to the Introduction, Conclusion, and References, the dissertation is organized into five chapters as follows:

Chapter 1: Literature Review

Chapter 2: Theoretical and Practical Foundations of Government Support for the Export of Handicraft Products through E-commerce by Small and Medium-Sized Enterprises

Chapter 3: Research Methodology

Chapter 4: Current Government Support Provided by the Hanoi Municipal Government for the Export of Handicraft Products through E-commerce by Small and Medium-Sized Enterprises

Chapter 5: Policy Recommendations to Enhance the Hanoi Municipal Government's Support for the Export of Handicraft Products through E-commerce by Small and Medium-Sized Enterprises

Chapter 1

LITERATURE REVIEW

1.1. Export through E-commerce

1.1.1. Studies on E-commerce and Cross-border E-commerce

The rapid advancement of digital technologies has positioned cross-border e-commerce as an important channel for expanding international market access and reducing transaction costs for enterprises. Existing studies have primarily examined the development of e-commerce, cross-border e-commerce policies, and the barriers faced by firms, including limitations in digital infrastructure, technological capability, and logistics. In the Vietnamese context, previous research has focused mainly on national e-commerce development policies and the challenges associated with digital transformation. Although the role of local governments in promoting e-commerce has been recognized, the implementation of support policies remains fragmented and largely dependent on local administrative capacity. Furthermore, existing studies have paid limited attention to evaluating the effectiveness of provincial government support in promoting exports through e-commerce, particularly for traditional industries such as the handicraft sector.

1.1.2. Studies on E-commerce in Import and Export Activities

E-commerce has become an increasingly important driver of international trade by enabling enterprises to access global markets directly and reduce transaction costs. However, its effective adoption requires strong technological capabilities, efficient logistics systems, and well-developed branding strategies. In addition, legal barriers and the risks associated with cross-border transactions continue to pose significant challenges to exporters. In this context, the roles of central and local governments are increasingly important in facilitating firms' participation in cross-border e-commerce. Nevertheless, existing studies have yet to comprehensively examine the effectiveness of provincial government support in promoting e-commerce-based exports, particularly in traditional industries such as the handicraft sector.

1.1.3. *Studies on E-commerce for Small and Medium-Sized Enterprises*

In the digital economy, e-commerce has emerged as a strategic tool for enhancing the competitiveness of small and medium-sized enterprises (SMEs) by reducing operational costs, improving market access, and facilitating international expansion. The adoption of e-commerce has therefore become a key driver of SMEs' internationalization. Previous studies emphasize the critical role of government in supporting this process through the development of digital infrastructure, the enhancement of digital capabilities, and the establishment of an enabling regulatory environment. In Vietnam, the extent to which SMEs adopt e-commerce is largely influenced by the quality of technological infrastructure, firms' managerial capabilities, and the effectiveness of government support policies.

1.2. Export of Handicraft Products

1.2.1. *Studies on the Characteristics of Handicraft Products*

Handicraft products are distinguished by their handcrafted nature, cultural value, and high degree of uniqueness, which provide competitive advantages in niche international markets. However, difficulties in product standardization and the limited scale of production constrain their ability to meet international market requirements. In Vietnam, although the handicraft sector possesses considerable export potential, it continues to face challenges related to product design, innovation, and market responsiveness. Existing studies have primarily focused on describing the characteristics of handicraft products, while insufficient attention has been paid to their relationship with e-commerce adoption and export performance.

1.2.2. *Studies on the Export of Handicraft Products*

Previous studies on handicraft exports have primarily focused on the sector's competitive advantages and the role of government support policies. Handicraft products possess significant strengths in terms of uniqueness and cultural value, yet they face substantial challenges related to quality standards, product standardization, and production scale. In

Vietnam, the export performance of handicraft products has not fully reflected the sector's potential due to limitations in product design, brand development, and reliance on intermediaries. Existing evidence suggests that export performance is strongly influenced by the effectiveness of government support policies and the implementation capacity of local authorities.

1.2.3. Studies on E-commerce and SME Export Performance

In the context of digital transformation, e-commerce has become a key instrument for enhancing the export performance of small and medium-sized enterprises (SMEs) by expanding market access and strengthening international competitiveness. Nevertheless, SMEs continue to encounter significant challenges related to technological capability, logistics, and compliance with international standards. Consequently, government support-particularly at the provincial level-plays a crucial role in facilitating e-commerce adoption through capacity building, digital infrastructure development, and market linkage initiatives. Despite this recognition, the existing literature has yet to provide a comprehensive assessment of the effectiveness of provincial government support in promoting SME exports through e-commerce.

1.3. The Role of the State and Local Governments in Supporting the Export of Handicraft Products by SMEs

1.3.1. Studies on the Role of the State and Local Governments in Supporting SMEs

The existing literature recognizes that local governments play a pivotal role in supporting small and medium-sized enterprises (SMEs) through the provision of market information, financial assistance, training programs, and infrastructure development. The effectiveness of such support largely depends on implementation capacity and its alignment with local socio-economic conditions. However, current studies have not comprehensively examined the effectiveness of provincial government support in promoting e-commerce adoption and export performance, particularly in traditional industries.

1.3.2. Studies on Government Support for Handicraft Manufacturing Enterprises

International studies indicate that local governments play a significant role in strengthening the handicraft sector by investing in infrastructure, providing training, and facilitating market linkages, thereby enhancing enterprises' participation in global value chains. In the context of the digital economy, this role has expanded to include support for technological innovation and the adoption of e-commerce. Nevertheless, the existing literature has yet to provide a comprehensive evaluation of the effectiveness of provincial government support in promoting e-commerce-based exports within the handicraft sector.

1.3.3. Studies on Government Policies Supporting Exporting Enterprises

Existing studies indicate that local governments play a crucial role in supporting handicraft enterprises engaged in e-commerce exports through the provision of digital infrastructure, capacity-building programs, and market linkage initiatives. The effectiveness of e-commerce adoption is closely associated with the appropriateness of policy measures and the implementation capacity of local authorities. However, the current literature has not systematically assessed the effectiveness of provincial government support in relation to enterprises' e-commerce capabilities and export performance.

1.4. Overall Assessment of Previous Studies Relevant to the Dissertation

1.4.1. General Review of the Literature

The literature review indicates that a substantial body of theoretical and empirical research has been developed on government support for small and medium-sized enterprises (SMEs), the development of e-commerce, and the export of handicraft products. Previous studies have examined various dimensions of government support, including support measures, influencing factors, and evaluation criteria, using diverse theoretical perspectives and methodological approaches. Nevertheless, no existing study has developed a comprehensive analytical framework for assessing

the effectiveness of provincial government support for SMEs exporting handicraft products through e-commerce. This research gap provides the rationale for the present dissertation.

1.4.2. Research Gaps and Research Direction of the Dissertation

Based on the literature review, the dissertation identifies several research gaps concerning the theoretical foundation, research scope, evaluation criteria, and methodological approaches for assessing provincial government support. To address these gaps, the study develops a comprehensive analytical framework and empirically examines the impact of support provided by the Hanoi Municipal Government on e-commerce adoption and the export performance of handicraft products by small and medium-sized enterprises (SMEs). This research is intended to enrich the existing literature while providing an empirical basis for improving provincial government support policies in the context of the digital economy.

Chapter 2

THEORETICAL FOUNDATIONS OF PROVINCIAL LOCAL GOVERNMENT SUPPORT FOR SMEs EXPORTING HANDICRAFT PRODUCTS THROUGH E-COMMERCE

2.1. Research Concepts

2.1.1. Small and Medium-Sized Enterprises

Small and medium-sized enterprises (SMEs) constitute a significant proportion of the economy. Although they are characterized by limited scale and resource constraints, SMEs possess considerable flexibility and make important contributions to local economic development. In the context of digital transformation, e-commerce offers SMEs new opportunities to access international markets; however, their ability to capitalize on these opportunities depends largely on their internal capabilities and the support provided by the government. In the handicraft sector, the gap between enterprises' capabilities and international market requirements further

increases the need for government support. Accordingly, SMEs are regarded as the central focus of this dissertation.

2.1.2. Export through E-commerce

Export through e-commerce represents the integration of traditional export activities with digital technologies, enabling enterprises to expand their access to international markets, reduce transaction costs, and enhance operational flexibility. Nevertheless, this export mode also presents significant challenges related to technological capability, logistics, and regulatory compliance, particularly for SMEs. Consequently, government intervention-especially at the provincial level-plays a critical role in supporting digital infrastructure, capacity building, and institutional development. For the handicraft sector, e-commerce provides substantial opportunities for international market expansion, but its sustainable development depends on appropriate and effective government support mechanisms.

2.1.3. Export of Handicraft Products through E-commerce

The export of handicraft products through e-commerce has become an important trend, enabling small and medium-sized enterprises (SMEs) to expand their international market presence, enhance product value, and effectively penetrate niche markets. However, the sector's distinctive characteristics-including small-scale production, difficulties in product standardization, limited digital capabilities, logistics constraints, and compliance with international standards-necessitate comprehensive support from provincial governments. Accordingly, this dissertation examines the mechanisms through which provincial governments support e-commerce-based handicraft exports and evaluates the effectiveness of such support.

2.1.4. Provincial Government Support for SMEs Exporting through E-commerce

Provincial government support for SMEs exporting handicraft products through e-commerce refers to the comprehensive set of policies, instruments, and initiatives implemented by local authorities to facilitate enterprises' participation in international markets, strengthen their capabilities, and reduce the costs associated with cross-border e-commerce.

Such support encompasses institutional and regulatory improvements, the provision of market information, trade promotion activities, capacity-building and training programs, digital transformation support, digital infrastructure development, and the strengthening of linkages among stakeholders within the e-commerce ecosystem.

2.2. Provincial Government Support for the Export of Handicraft Products through E-commerce

2.2.1. Objectives of Government Support

The primary objective of provincial government support is to improve the institutional environment and enhance the export performance of small and medium-sized enterprises (SMEs) engaged in e-commerce. Specifically, government support aims to facilitate international market access, strengthen enterprises' digital capabilities, reduce operational costs and transaction risks, and improve export performance. In addition, these support measures contribute to digital transformation and local economic development. For the handicraft sector, government support should also promote cultural heritage preservation and brand development to enhance the international competitiveness of handicraft products.

2.2.2. Modes of Government Support

The modes of provincial government support refer to the mechanisms through which support policies are implemented to improve the effectiveness of SME exports through e-commerce. Major support mechanisms include direct assistance (such as training and consultancy services), indirect support (through institutional and regulatory improvements), ecosystem-based collaboration, public-private partnerships, and the application of digital technologies. In the digital economy, there has been a growing shift toward indirect and ecosystem-oriented support approaches, which should be flexibly adapted to the specific characteristics of the handicraft sector.

2.2.3. Dimensions of Provincial Government Support

Provincial government support for SMEs exporting through e-commerce encompasses a wide range of policy measures, including institutional improvement, market information services, trade promotion,

digital transformation support, training and capacity building, financial assistance, and logistics infrastructure development. These support measures are complementary in nature, helping enterprises overcome barriers to international market participation, improve competitiveness, and enhance the effectiveness of e-commerce-based exports.

2.2.4. Characteristics of Provincial Government Support for SMEs Exporting Handicraft Products through E-commerce

Provincial government support for SMEs engaged in the export of handicraft products through e-commerce exhibits several distinctive characteristics. First, it is developmental in nature, aiming to create an enabling business environment rather than merely providing direct financial assistance. Second, support measures are tailored to the specific socio-economic conditions and comparative advantages of individual localities. Third, they integrate multiple policy domains, including institutional development, digital transformation, logistics, trade promotion, and capacity building. Furthermore, these support activities are implemented within the framework of decentralized public administration and are evaluated based on their contribution to strengthening enterprises' capabilities and improving export performance.

2.3. Criteria for Evaluating Government Support

2.3.1. Principles for Developing Evaluation Criteria

The development of evaluation criteria for assessing the effectiveness of government support should be grounded in scientific rigor, measurability, and relevance to the research objectives. The proposed criteria should be supported by a sound theoretical foundation, be capable of quantitative measurement, and comprehensively reflect the key dimensions of government support. Moreover, the evaluation framework should be appropriate to the research context and the characteristics of the handicraft sector, while remaining consistent with the analytical model to ensure empirical validity and reliability.

2.3.2. Evaluation Framework

A comprehensive evaluation framework is developed to assess the effectiveness of provincial government support. The framework comprises

four major dimensions: accessibility, cost, time, and outcomes. Accessibility measures the extent to which enterprises can access government support policies and programs. Cost and time indicators evaluate the extent to which government support reduces transaction costs and administrative burdens. Output indicators assess improvements in enterprises' capabilities, while outcome indicators measure export performance. For the handicraft sector, the evaluation framework also incorporates industry-specific characteristics, including product uniqueness, cultural value, and brand development.

2.4. Factors Influencing Provincial Government Support for SMEs

2.4.1. Internal Factors

Internal factors refer to the institutional capacity of provincial governments to provide effective support for SMEs exporting through e-commerce. These include policy implementation capability, the availability of financial and human resources, inter-agency coordination mechanisms, the capacity for innovation, and the quality of public services. Together, these factors determine the effectiveness of policy implementation and the extent to which government support generates tangible benefits for enterprises.

2.4.2. External Factors

External factors influencing the effectiveness of government support include the institutional environment, digital and logistics infrastructure, enterprise capabilities, industry characteristics, and market competition. These factors affect enterprises' ability to adopt e-commerce, utilize government support, and improve export performance. Accordingly, the effectiveness of provincial government support depends not only on the capacity of local authorities but also on the broader economic and institutional environment in which enterprises operate.

2.5. Application of Theoretical Perspectives and Analytical Framework

2.5.1. Theoretical Foundations

This dissertation draws upon three principal theoretical perspectives-market failure theory, institutional theory, and public sector capability

theory-to explain the role and effectiveness of provincial government support for SMEs exporting through e-commerce. These theoretical perspectives provide a comprehensive basis for understanding the rationale for government intervention, the influence of the institutional environment on policy implementation, and the variations in support effectiveness across localities. Collectively, they offer an integrated framework for analyzing provincial government support in the context of the digital economy.

2.5.2. Application of the Dynamic Capability Perspective

Building upon these theoretical foundations, the dissertation develops an analytical framework for evaluating the effectiveness of provincial government support for SMEs exporting through e-commerce. Market failure theory is employed to identify the rationale and scope of government support measures, while institutional theory explains the conditions under which these measures are implemented. The dynamic capability perspective further highlights the importance of organizational capabilities in enhancing the effectiveness of government support. The proposed framework links government support measures with export performance through intermediate outcomes, including reductions in transaction costs and processing time, as well as improvements in international market access, thereby ensuring consistency between the theoretical framework and the empirical analysis.

2.5.3. Analytical Framework of the Dissertation

The analytical framework adopted in this dissertation is developed from the perspective of economic management and consists of three interrelated components: actors, support dimensions, and support mechanisms. The provincial government serves as the principal actor, while the support dimensions encompass institutional development, market information, infrastructure, trade promotion, financial assistance, and capacity building. The support mechanisms describe the processes through which these policies are implemented. This framework enables a comprehensive evaluation of government support from policy formulation to implementation and provides the basis for assessing its effectiveness.

2.6. International Models and Experiences in Supporting Handicraft Exports through E-commerce

2.6.1. Experience of Zhejiang Province (China)

The experience of Zhejiang Province highlights the pivotal role of provincial governments in promoting e-commerce-based handicraft exports through the integration of traditional craft villages with digital platforms and substantial investment in logistics infrastructure. Government-led training programs and financial support have enhanced enterprise capabilities, generated positive spillover effects across industrial clusters, and demonstrated the government's role in fostering a dynamic e-commerce ecosystem.

2.6.2. Experience of Gyeonggi Province (Republic of Korea)

The case of Gyeonggi Province demonstrates that local governments can actively promote e-commerce by developing dedicated digital platforms and providing specialized training and consultancy services. Effective inter-agency coordination and flexible policy implementation have strengthened enterprises' participation in e-commerce and enhanced their international competitiveness, highlighting the importance of customized government support.

2.6.3. Experience of Chiang Mai Province (Thailand)

The experience of Chiang Mai illustrates how local governments can promote handicraft exports by integrating e-commerce with the preservation and promotion of cultural heritage. The development of specialized e-commerce platforms and branding strategies linked to local identity has increased product value and international visibility. Collaboration with intermediary organizations in financial support and marketing has further strengthened enterprise capabilities and export performance.

2.6.4. Lessons for Provincial Governments in Vietnam

Drawing on international experience, provincial governments in Vietnam, particularly the Hanoi Municipal Government, should strengthen their role in developing digital infrastructure and fostering an integrated e-commerce ecosystem. In addition, greater emphasis should be placed on developing e-commerce platforms associated with local brands, enhancing

digital skills through targeted training, integrating financial and technical support measures, and promoting stronger coordination among government agencies and relevant stakeholders.

2.7. Theoretical Basis for the Research Model

Based on the underlying theoretical perspectives, the dissertation develops a research model to explain the mechanisms through which provincial government support influences the export performance of handicraft SMEs engaged in e-commerce. The proposed model posits that government support enhances enterprises' capabilities in adopting e-commerce, promotes innovation, and strengthens their competitive advantage, thereby improving export performance. This framework serves as the theoretical foundation for the empirical analysis conducted in the dissertation.

Chapter 3 RESEARCH METHODOLOGY

3.1. Research Design

This dissertation adopts a mixed-methods research design, integrating qualitative and quantitative approaches to enhance the robustness and reliability of the findings. The qualitative phase is employed to establish the theoretical foundation and develop the research model, whereas the quantitative phase is conducted to empirically test the proposed hypotheses. The research process comprises five stages: defining the research objectives, developing the theoretical framework, constructing the research model, collecting and analyzing data, and drawing conclusions and policy recommendations.

3.2. Proposed Research Model and Hypotheses

3.2.1. Research Hypotheses

The research hypotheses are formulated based on major dimensions of provincial government support, including digital infrastructure, capacity-building and training, financial assistance, and trade promotion. Drawing upon the underlying theoretical perspectives, the study hypothesizes that

government support positively influences e-commerce adoption, enterprise competitiveness, and innovation capability, which in turn enhance export performance. In the proposed model, provincial government support is specified as the independent variable, while export performance is the dependent variable, with e-commerce capability, innovation, and competitiveness serving as mediating factors.

3.2.2. Questionnaire Design

The survey instrument was developed by adapting established measurement scales and refining them through qualitative research to ensure their suitability for the Vietnamese context. All constructs were measured using a five-point Likert scale and captured key dimensions of the study, including provincial government support, e-commerce adoption, innovation capability, enterprise competitiveness, and export performance. The qualitative phase was used to validate and refine the measurement scales, while the quantitative survey provided the data required for empirical testing of the proposed research model.

3.3. Research Context

Hanoi was selected as the research setting because it is one of Vietnam's largest economic centers and possesses significant advantages in the production and export of handicraft products through its extensive network of traditional craft villages. In recent years, the municipal government has actively promoted e-commerce as a means of expanding international market access for local enterprises. Nevertheless, SMEs continue to face considerable challenges related to digital capability, financial resources, and logistics. Consequently, examining the effectiveness of provincial government support in Hanoi provides valuable insights into improving policies that promote e-commerce-based handicraft exports.

3.4. Data Analysis Methods

Descriptive statistics, including frequency distributions, means, and medians, were employed to summarize the characteristics of the data. The reliability of the measurement scales was assessed using Cronbach's Alpha (≥ 0.60) and corrected item-total correlations (≥ 0.30). Confirmatory Factor

Analysis (CFA) was conducted to evaluate the convergent validity, discriminant validity, and overall goodness-of-fit of the measurement model. Subsequently, Structural Equation Modeling (SEM) was applied to examine the hypothesized relationships among the constructs, including both direct and indirect effects.

The empirical analysis was based on survey data collected from 201 valid responses obtained from small and medium-sized enterprises (SMEs) in Hanoi. Data were processed and analyzed using SPSS and AMOS software. The sample exhibited a relatively balanced gender distribution (53.7% male and 46.3% female respondents), with the majority of respondents holding at least a college or university degree. Medium-sized enterprises accounted for the largest proportion of the sample (65.7%). The surveyed firms primarily exported to Southeast Asian and European markets, reflecting a trend toward the diversification of export destinations.

Chapter 4

CURRENT STATUS OF SUPPORT PROVIDED BY THE HANOI MUNICIPAL GOVERNMENT FOR THE EXPORT OF HANDICRAFT PRODUCTS THROUGH E-COMMERCE BY SMALL AND MEDIUM-SIZED ENTERPRISES

4.1. Current Status of Handicraft Exports through E-commerce by SMEs in Hanoi

During the period 2019-2023, the export value of handicraft products by SMEs in Hanoi increased from USD 150 million to USD 195 million, although the growth trend remained unstable. Approximately 620 enterprises participated in export activities; however, only 18% adopted cross-border e-commerce, indicating that digital transformation in export activities remains limited. These findings suggest that export growth has yet to become sustainable and that the effectiveness of government support requires further improvement.

At the national level, Vietnam's handicraft exports fluctuated between USD 2.0 and 2.23 billion, while e-commerce experienced rapid growth,

reflecting the increasing importance of digital trade channels. Hanoi consistently recorded a high E-commerce Business Index (EBI), ranging from 83 to 86, demonstrating favorable conditions for digital commerce. Nevertheless, export performance continued to fluctuate and has not fully reflected the city's competitive potential.

Hanoi's handicraft exports accounted for approximately USD 185 million, representing nearly 9% of Vietnam's total handicraft export value. The principal export destinations include the United States, the European Union, and Japan. Despite these achievements, the adoption of e-commerce remains limited, with exports continuing to rely heavily on intermediaries, resulting in relatively low value added and constrained international competitiveness.

4.2. Current Status of Support Provided by the Hanoi Municipal Government for the Export of Handicraft Products through E-commerce by SMEs

Institutional Framework and Regulatory Environment. During the period 2018-2024, the Hanoi Municipal Government implemented a range of administrative reforms, including electronic customs procedures and the national single-window mechanism, reducing customs clearance and administrative processing time by approximately 10-15%. Nevertheless, the overall effectiveness of institutional support remains limited. Enterprises reported relatively low levels of satisfaction with legal information dissemination (mean = 3.02), product traceability support (2.31), and dispute resolution mechanisms (2.18), indicating that existing policies have yet to provide the specialized support required by SMEs engaged in cross-border e-commerce.

Market Information and Business Connectivity. Hanoi has organized numerous trade promotion events and established linkages with major e-commerce platforms, enabling approximately 30-35% of surveyed enterprises to access international markets. However, the information provided remains insufficiently comprehensive, and most networking activities are event-based rather than sustained. Furthermore, government

support for risk management and dispute prevention is limited, requiring enterprises to bear most of the risks associated with cross-border e-commerce transactions.

Logistics and Digital Infrastructure. Although electronic payment systems and digital documentation have been increasingly adopted, only 20-25% of handicraft enterprises have access to logistics services that adequately support cross-border e-commerce. Logistics costs continue to account for 20-30% of total order value, highlighting the shortage of specialized logistics infrastructure for international e-commerce activities.

E-commerce Promotion. Government trade promotion programs have enabled approximately 25-30% of enterprises to participate in digital marketplaces. However, these initiatives have largely focused on short-term promotional activities. Support for the operation of online stores, digital branding, and long-term market development remains insufficient, limiting the establishment of an integrated value chain from digital marketing to international sales.

Financial Support and Capacity Building. Only 15-20% of surveyed enterprises have benefited from preferential financing schemes, while existing e-commerce training programs remain primarily introductory in nature. The limited availability of specialized training and long-term technical assistance has constrained enterprises' digital transformation, innovation capacity, and overall competitiveness in international e-commerce markets.

4.3. Evaluation of the Current Status of Support Provided by the Hanoi Municipal Government

The survey results indicate that enterprises generally hold a positive perception of the Hanoi Municipal Government's support for e-commerce development, with mean scores ranging from 3.84 to 3.90 across the evaluated dimensions. Approximately 70% of surveyed enterprises reported that government training and trade promotion programs had improved their

access to international markets. In addition, more than 1,200 enterprises received support in establishing online stores, of which approximately 35% successfully generated export orders. Nevertheless, nearly 29% of respondents considered financial support policies difficult to access and insufficient to meet their practical needs.

The findings also reveal improvements in enterprises' competitiveness, e-commerce adoption, and innovation capability, although progress remains uneven. The proportion of enterprises operating official websites or online stores increased from 38% to 62%, while more than 40% of enterprises participated in e-commerce activities. However, only about one-third conducted direct exports through international e-commerce platforms. Furthermore, approximately 42% of enterprises reported engaging in innovation activities, yet only 18% invested in research and development (R&D), and fewer than 10% had registered intellectual property rights, indicating persistent constraints in financial resources and long-term strategic capacity.

The export performance of handicraft products continued to improve, with an average annual growth rate of approximately 11.5% during the 2019-2023 period. Enterprises adopting e-commerce achieved higher export growth, with digital sales accounting for approximately 28-32% of total export revenue. The PLS-SEM analysis confirmed that the measurement model demonstrated satisfactory reliability and convergent validity. The empirical results further indicate that provincial government support has significant positive effects on innovation capability ($\beta = 0.485$), e-commerce adoption ($\beta = 0.165$), and enterprise competitiveness ($\beta = 0.402$), which subsequently exert indirect positive effects on export performance. These findings suggest that the principal role of the Hanoi Municipal Government is to create an enabling business environment and strengthen enterprises' internal capabilities, rather than directly influencing export outcomes.

Chapter 5

POLICY RECOMMENDATIONS FOR THE HANOI MUNICIPAL GOVERNMENT TO SUPPORT THE EXPORT OF HANDICRAFT PRODUCTS THROUGH E-COMMERCE BY SMALL AND MEDIUM-SIZED ENTERPRISES

5.1. Context and Strategic Orientation for Improving Policies Supporting the Export of Handicraft Products through E-commerce toward 2030, with a Vision to 2045

The development agenda toward 2030, with a vision to 2045, requires the Hanoi Municipal Government to shift from broad, generic support measures to more targeted and tailored policies for small and medium-sized enterprises (SMEs) exporting handicraft products through e-commerce. Based on the theoretical foundations, practical evidence, and empirical findings of this dissertation, future policy should prioritize the development of digital and logistics infrastructure, while strengthening enterprises' innovation capability, digital capability, and overall competitiveness. In addition, greater emphasis should be placed on fostering digital brand development, enhancing inter-agency coordination, and establishing an integrated support ecosystem to facilitate sustainable growth and improve the international competitiveness of handicraft exports in the digital economy.

5.2. Strategic Directions for the Hanoi Municipal Government to Support the Export of Handicraft Products through E-commerce by Small and Medium-Sized Enterprises

The proposed policy recommendations for supporting SMEs in exporting handicraft products through e-commerce are developed in accordance with the strategic orientations and policy frameworks of the Government of Vietnam and the Hanoi Municipal Government on digital transformation, e-commerce development, and SME support. In particular, Decision No. 749/QĐ-TTg approving the National Digital Transformation Program and Decision No. 645/QĐ-TTg approving the Master Plan for E-commerce Development for the 2021-2025 period provide an important

legal and institutional foundation for local governments to implement policies that promote digital technology adoption, expand market access, and enhance enterprise competitiveness.

Building upon these national policy frameworks, the Hanoi Municipal Government has adopted a development strategy that places SMEs at the center of promoting handicraft exports through e-commerce, while integrating digital transformation, innovation, and sustainable development into its policy agenda. Key priorities include strengthening digital and logistics infrastructure, supporting enterprises' participation in international e-commerce platforms, promoting digital brand development, enhancing the value of One Commune One Product (OCOP) products and traditional craft villages, and fostering regional cooperation, digital trade promotion, and international collaboration. This strategic orientation provides the foundation for the policy recommendations proposed in this dissertation to enhance the effectiveness of the Hanoi Municipal Government's support for SMEs exporting handicraft products through e-commerce toward 2030, with a vision to 2045.

5.3. Policy Recommendations for the Hanoi Municipal Government to Support the Export of Handicraft Products through E-commerce by SMEs

To enhance the effectiveness of government support, the Hanoi Municipal Government should prioritize the improvement of the institutional and regulatory framework by clarifying existing regulations, expanding the implementation of the one-stop administrative mechanism, and strengthening legal advisory services to reduce compliance costs and transaction risks for enterprises. In parallel, a comprehensive market intelligence system should be established to provide in-depth market information, facilitate sustainable business partnerships, and develop early warning mechanisms for risks associated with cross-border e-commerce.

With respect to infrastructure, greater investment is needed in shared logistics facilities linked to traditional craft villages, while providing technical support to help enterprises strengthen their digital readiness and

technological capabilities. Furthermore, e-commerce promotion activities should evolve from conventional short-term promotional campaigns toward an integrated approach that combines digital marketing, digital brand development, and strategic expansion into priority international markets, thereby enhancing the global competitiveness of Hanoi's handicraft SMEs.

5.4. Suggestions

The Hanoi Municipal Government should play a proactive role in developing an integrated e-commerce support ecosystem by formulating sector-specific policies, strengthening digital infrastructure, establishing digital transformation support centers, and enhancing trade promotion activities linked to the cultural identity and branding of Hanoi's handicraft products. In addition, greater emphasis should be placed on expanding financial assistance and fostering international cooperation to improve the global competitiveness of SMEs.

SMEs should take a more proactive approach to digital transformation by strengthening their technological capabilities, digital marketing expertise, and managerial capacity. They should also prioritize product quality, brand development, and business collaboration to expand their presence in international markets through e-commerce.

At the central government level, further efforts are required to improve the legal and regulatory framework governing cross-border e-commerce, develop supportive financial policies, invest in digital and logistics infrastructure, enhance human resource development, and promote international cooperation to facilitate sustainable export growth.

Furthermore, business support organizations, research institutes, and universities should strengthen their roles in providing training, knowledge transfer, technological support, and enterprise networking. These collaborative efforts will contribute to fostering innovation, improving enterprise capabilities, and promoting the sustainable development of Vietnam's handicraft export sector in the digital economy.

CONCLUSION

In the context of digital transformation and international economic integration, the export of handicraft products through e-commerce has emerged as an important pathway for small and medium-sized enterprises (SMEs) to expand their international market presence and enhance value creation. As one of Vietnam's leading economic centers with a rich network of traditional craft villages, Hanoi possesses significant potential to develop this sector. However, the successful realization of this potential depends largely on the enabling and supportive role of the provincial government.

This dissertation has established the theoretical foundation, developed an analytical framework, and proposed a research model to examine the relationship between provincial government support and the export performance of SMEs engaged in handicraft exports through e-commerce. The empirical findings indicate that although the Hanoi Municipal Government has made considerable efforts to support enterprises, existing policies remain constrained by limited coordination, insufficient specialization, and an inadequate response to the specific needs of the handicraft sector.

Based on these findings, the dissertation proposes a set of policy recommendations aimed at strengthening the government's enabling role through improvements in the institutional framework, the development of digital and logistics infrastructure, and the enhancement of enterprise capabilities in digital transformation, innovation, and international competitiveness. Finally, the study acknowledges its limitations in terms of research scope and contextual coverage, while identifying directions for future research to further advance both the theoretical understanding and practical implementation of provincial government support for e-commerce-based handicraft exports.

LIST OF THE AUTHOR'S PUBLICATIONS RELATED TO THE DISSERTATION

1. Vo Anh Tuan (2025), “The Role of Local Government in Promoting the Export of Handicraft Products through E-commerce in Hanoi”, *Journal of Economics and Forecasting*, No. 13.
2. Vo Anh Tuan (2025), “The Impact of Innovation and Adaptive Capability on the Export Performance of Handicraft Products through Digital Platforms”, *Journal of Economics and Forecasting*, No. 702.
3. Vo Anh Tuan (2025), “Developing E-government and E-commerce to Promote the Export of Handicraft Products”, *Journal of Economics and Forecasting*, No. 703.
4. Vo Anh Tuan (2025), “Current Status of the Hanoi Government's Support for the Export of Handicraft Products through E-commerce by Small and Medium-Sized Enterprises”, *Industry and Trade Magazine*, No. 31, pp. 266-271.