

# Collective Giving in Vietnam

Modern Philanthropy

*A Discussion Among Vietnamese & American Women Philanthropists*

16 September 2014



# Topics

---

- A Tradition of Giving
- Legal Framework
- Key Players
- Example
- Challenges
- Future Outlook

# **A Tradition of Collective Giving**



# Collective Giving: A Tradition

**“People in the same country should have pity on each other”**

“Nhiều điều phủ lấy giá gương  
Người trong một nước thì thương nhau cùng”

**“The healthy leaf covers the torn”**

“Lá lành đùm lá rách”

**“Better to give someone a piece of food when he is hungry  
than to give him a box of food when he is full”**

“Một miếng khi đói bằng một gói khi no”

*\*Vu Ngoc Phan, 1992. “Proverbs, Sayings and Folklore of Vietnam” Association of Research and Teaching Literature: Ho Chi Minh City.*

# Collective Giving: A Tradition

- **King Le Thanh Tong** (15th Century) - local compassion funds
- **Nguyen Dynasty** (17th - 20th Centuries) – promotion of compassion funds
- **Colonial period** (1858 to 1945) – philanthropic associations
- **Post 1945** – legal framework for philanthropic associations
- **Prior to *Doi Moi*** (1986) - mutual support organizations:
  - Phuongs
  - Hoi/Chi Hoi
  - Ho/Quy
- **Since *Doi Moi*** (post 1986) – fundraising events and campaigns, giving circles, community fund (new)

*\*Thanh N V and D D Hoa. 1999. 'Vietnam'. In Thomas Silk (ed.) Philanthropy and Law in Asia- A Comparative Study of the Nonprofit Legal System in Ten Asia Pacific Societies.*

# **Legal Framework for Collective Giving in Vietnam**



# Fundraising & Grantmaking

---

***Existing regulations are unclear, insufficient and sometimes burdensome to donors:***

- **Fundraising Campaigns** – Mass Organizations and Foundations may organize State-approved campaigns.
- **Fundraising Events** – Permission from the State (MoCST & up to 3 additional Ministries) to organize.
- **Receipt of Funds from Foreign Sources** – Foreign donors must provide legal documentation to recipients of their funds:
  - Corporations/Organizations: Notarized Articles of Incorporation, MOU and letter of acknowledgement
  - Individuals: Notarized copy of passport, agreement (if any) & letter

# Fiscal Incentives

- **Personal Income Tax Law** (2008), deductions for individual contributions to SREs, Funds & State entities only.
- **Corporate Income Tax Law** (2009), introduced:
  - Tax exempt income for certain activities;
  - Income tax incentives for employment of certain disadvantaged groups;
  - Tax exemptions on income earned from occupational training for certain disadvantaged groups; and
  - Deductible expenses for donations to an “authorized entity”.
- **Import tax exemptions** on donations for charitable and/or humanitarian purposes.



**Collective Giving in  
Vietnam  
Key Players & Practices**



# Key Players

---

1. **Government** (*Mass Organizations, Media*)
2. **Nonprofit Intermediaries** (*LIN, COCs*)
3. **Student Groups** (*Youth Union, Clubs*)
4. **Young Professionals**
5. **Vietnam's Elite** (*Retired Government, Corporate, Celebrities*)
6. **Vietnamese Diaspora**

# Observed Practices

---

- **Giving Circles** *(throughout Vietnam)*
- **Community Foundation** *(NEW!)*
- **Community Based Decision-Making**
- **Crowdfunding** *(Offline & Online-NEW!)*
- **Partnerships**

# **Collective Giving Example in Vietnam**



# LIN

# NARROW THE GAP

**A COMMUNITY FUND**

**Together**, we can make a **bigger impact**

Support **long term** community development

Make a **strategic investment** in people & projects

**Multiply** the **effect** of our individual contributions

# Narrow the Gap: Community Based Decision Making



# NARROW THE GAP

## ROUND 1 & 3:

### *Criteria:*

- *Nonprofit Objective,*
- *Geographic*
- *Access / Quality of Life*

*Selection: Committee*

## ROUND 2:

### *Criteria:*

- *Nonprofit Objective,*
- *Geographic*
- *Access / Quality of Life*
- *Annual Theme*

*Selection: Committee, Expert,  
Online & Offline Voting.*

## Round 2 Themes

**ENVIRONMENT**



2015

**EDUCATION**



2014

**CHILDREN**



2013

**WOMEN**



2012

**MIGRANTS**



2011

## Narrow the Gap 2014 Focus on Education



1<sup>st</sup> Prize Grant  
Bridge the gap between  
the community and the  
visually impaired

### **Thien An Shelter**

Grant of VND 600,000,000  
Impact: In Progress

## Narrow the Gap 2013 Focus on Children



1<sup>st</sup> Prize Grant  
Clean Water Tower

### **Ceporer Hoc Mon**

Grant of VND 150,000,000

## Narrow the Gap 2012 Focus on Women



1<sup>st</sup> Prize Grant  
Reduce Domestic Violence  
Among Deaf Women

### **Deaf Community of HCMC**

Grant of VND 150,000,000  
Impact:  
Self-Defense & Education for Prevention

## IMPACTS

Tripled fundraising target  
>VND 1.2b!

New donor contacts for  
1<sup>st</sup> prize winner!

Technical Assistance for three  
finalists





# Increasing Local Community Engagement

Since 2009, over **2,4 billion VND** (~USD \$120,000) allocated to **44 projects** by local nonprofits.

Thematic Rounds	Amount Contributed Locally	# Individual Donors	# Corporate Donors	# Volunteers	Attendance @ Community Event
2011 (Migrants)	60m	94	9	12	147
2012 (Women)	150m	129	54	108	190
2013 (Children)	327m	105	39	60	~339
2014 (Education)	439m	207	31	104	~450

# Future Outlook



# Key Challenges *(1 of 2)*

---

## 1. Lack of information

- Donors are not required to report
- Many donors give anonymously
- Individual giving via companies (vice-a-versa)
- Lack of information sharing by and among philanthropists
- Local NPOs largely unknown

## 2. Lack of guidance & good examples

- Most donations are one-time contributions
- Most decisions based on relationships rather than impact
- Monitoring and evaluation focused on outputs rather than outcomes
- Few donors measure the impact of their giving
- Preference for charity over development projects
- Few philanthropy “experts” in Vietnam

# Key Challenges *(2 of 2)*

## 3. Insufficient Financial Governance & Management

- Legal framework does not prevent / address this issue
- Limited transparency, oversight and professionalism in fund management by donors and by NPOs
- Misappropriation of donations by NPOs

## 4. Limited Self-Regulation

- No professional association for fundraisers or grantmakers
- No codes of conduct for donors  
*(Note: Vietnamese nonprofits are in the process of developing codes of conduct)*
- Criteria for recognition of best practices in question

# Opportunities

---

## 1. Booming Volunteerism

- Gain understanding of L-T needs
- Build capacity of NPOs

## 2. Philanthropic Investment in NPOs

- Capacity building for NPO staff
- Investing in quality, nonprofit operations

## 3. New Form of Diaspora Giving

- 2<sup>nd</sup> generation moving towards collective giving
- Connecting diaspora & local philanthropists

## 4. Vietnamese People Driving Vietnam's Development

- Untapped potential for giving
- Local donors increase accountability of local NPOs

# **Vietnamese Women in Philanthropy**



# Role of Vietnamese Women

---

*Observations (almost no data):*

- Women's Roles in Nonprofit Organizations
  - Increasing leadership by women
  - Majority of staff are women
- Women Influence Household Giving
- Women more likely to support children's issues  
*(2012 CIMIGO Survey, Women = 49%, Men = 35%)*

# Is the Vietnam Experience Similar to the US?

In the USA...	In Vietnam
<b>Single women</b> are significantly more likely to give than single men	?
<b>Married men and married women</b> are both more likely to give and give more than single men	?
Women who participate in a <b>network</b> are more likely to desire to give back and focus on <b>efficiency</b>	?
Women who participate in donor education are more likely to develop <b>long-term giving</b> plans and <b>lend expertise</b> to the NPOs they support	?

Source: <http://www.philanthropy.iupui.edu/womens-philanthropy-institute-research>



# Thank You!

**LIN Center for Community Development**

[www.LINvn.org](http://www.LINvn.org)

[info@LINvn.org](mailto:info@LINvn.org)



# Appendix



# Legal Forms of Nonprofit Activities in Vietnam

---

- Party Related
  - Mass Organizations
  - Umbrella Organizations
  - Associations
- Independent
  - Associations
  - Social and Charitable Foundations
  - Social Relief Organizations
  - Science & Technology Organizations
  - Nonprofit Businesses
  - Informal Groups (unregistered)
- Other
  - International NGOs
  - Religious Organizations
  - Universities

# Regulation of Nonprofits

*“In practice, while still viewing it with suspicion, the Communist Party of Vietnam (CPV) has accepted the challenge to steer the market economy and civil society to pursue development goals. In that context, various forms of ‘civil society’ exist and perform a role which the CPV finds useful for societal control alongside other types of organization, particularly the mass organizations.” (Bui, 2013)*

## Regulators:

- Ministry of Home Affairs (Funds, Associations, Religious Groups)
- Ministry of Labor, Invalids and Social Affairs (SREs)
- Ministry of Science & Technology (STOs)
- Vietnam Fatherland Front (Mass Organizations and Associations)
- PACCOM, COMINGO and VUFO (INGOs)
- Ministry of Culture, Sports and Tourism (fundraising events)