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”

“Nhữ 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”

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)

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
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

- Collect Contributions
- Call for proposals 3x/year
- Proposal Review
- Community Vote
- Grants Allocated
- M&E
- Reports

R2: Theme chosen by the community
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

1st 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

1st Prize Grant
Clean Water Tower

Ceporer Hoc Mon
Grant of VND 150,000,000

Narrow the Gap 2012
Focus on Women

1st Prize Grant
Reduce Domestic Violence Among Deaf Women

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

IMAPCTS

Tripled fundraising target
>VND 1.2b!

New donor contacts for 1st prize winner!

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

<table>
<thead>
<tr>
<th>Thematic Rounds</th>
<th>Amount Contributed Locally</th>
<th># Individual Donors</th>
<th># Corporate Donors</th>
<th># Volunteers</th>
<th>Attendance @ Community Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011 (Migrants)</td>
<td>60m</td>
<td>94</td>
<td>9</td>
<td>12</td>
<td>147</td>
</tr>
<tr>
<td>2012 (Women)</td>
<td>150m</td>
<td>129</td>
<td>54</td>
<td>108</td>
<td>190</td>
</tr>
<tr>
<td>2013 (Children)</td>
<td>327m</td>
<td>105</td>
<td>39</td>
<td>60</td>
<td>~339</td>
</tr>
<tr>
<td>2014 (Education)</td>
<td>439m</td>
<td>207</td>
<td>31</td>
<td>104</td>
<td>~450</td>
</tr>
</tbody>
</table>
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
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\textsuperscript{nd} 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?

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

Thank You!

LIN Center for Community Development
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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)