

Civil Society in Vietnam:

A Comparative Study of Civil Society Organizations
in Hanoi and Ho Chi Minh City



William Taylor, Nguyễn Thu Hằng, Phạm Quang Tú, Huỳnh Thị Ngọc Tuyết

HANOI, OCTOBER 2012



The Asia Foundation

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October 2012

FOREWORD

Civil society is an integral part of societies everywhere, the arena where citizens come together to engage in issues affecting their lives and the development of their communities. Since opening an office in Hanoi in 2000, The Asia Foundation has supported a series of research, capacity building and public participation programs aimed at facilitating more productive state-society relations in Vietnam. The Foundation has assisted Vietnamese civil society organizations (CSOs) to conduct public consultation to inform the drafting of numerous laws for example, while our longstanding partnership with the Office of the National Assembly (ONA) has led to pioneering training for the NA deputies on public consultation skills and the development of the NA's website (www.duthaonline.quochoi.vn), where all draft laws are now posted for public comments.

Recognizing that civil society development is nascent in Vietnam, in 2008 the Foundation carried out a survey and in-depth interviews with 79 registered NGOs to understand their organizational structures and needs. The assessment identified the rapid growth of the sector in recent years with many of the NGOs established only in the past decade. It also provided the Foundation with baseline data on NGOs' operations, informing our subsequent development and implementation of an NGO capacity building program in organizational development, public participation mobilization, and policy advocacy between 2009 and 2011.

In the course of supporting organizational capacity building and policy advocacy initiatives as well as undertaking research on philanthropy in Vietnam, it became clear that to us there are interesting differences in the characteristics of CSOs depending on their location.¹ These intriguing glimpses of differences between civil society in Hanoi and Ho Chi Minh City led the Foundation to carry out this comparative study of CSOs in Vietnam's two major metropolitan areas. Given that the majority of CSOs are located in Hanoi and HCMC, an in-depth understanding of these organizations can provide an understanding of civil society as a whole. Hanoi and HCMC are also the political and commercial centers of Vietnam respectively, and a comparative analysis of strengths and weaknesses of CSO operations can thus shed light on the different historical contexts, policy environments, organizational models, and funding possibilities in these two cities. It is our hope that this research will contribute to the small but growing knowledge base on Vietnamese civil society, as well as informing relevant policies and initiatives aimed at supporting civil society development in Vietnam.

William Taylor and Nguyễn Thu Hằng from The Asia Foundation took the lead in working with a committed group of Vietnamese researchers in Hanoi and HCMC to design and implement this research. The survey work and analysis conducted by the research teams led by Phạm Quang Tú and Huỳnh Thị Ngọc Tuyết were invaluable, with the contribution of Hoàng Xuân Diễm, Hoàng Anh Dũng, Vũ Thị Nga, Nguyễn Minh Châu, Nguyễn Cúc Trâm, and Nguyễn Thị Bảo Hà. Editorial assistance provided by Elliot Waldman is also gratefully acknowledged. Finally, I would also like to express our gratitude to the leaders and staff of CSOs who share with us their important perspectives on their own organizations and the wider situation of civil society in Vietnam.

Kim N. B. Ninh, Country Representative, Vietnam

¹ The Asia Foundation and the Vietnam Asia Pacific Economic Center, *Philanthropy in Vietnam* (Hanoi, 2011).

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LIST OF ACRONYMS

CBO	Community Based Organization
CDG	Cooperation and Development Group
CEPEW	Center for Education Promotion and Empowerment for Women
CGFED	Center for Gender, Family, and Environment in Development
CHESH	Center for Humanity and Ecology Studies in Highlands
CIFPEN	Civil Society Inclusion in Food Security and Poverty Elimination Network
CISDOMA	Consultative Institute for Socioeconomic Development of Rural and Mountainous Areas
CODE	Consultancy on Development Institute
CSAGA	Center for Studies & Applied Sciences in Gender-Family-Women & Adolescents
CRCO	Coalition for Responsible Community Development
CSO	Civil Society Organization
DWC	Center for Women and Children
GENCOMNET	Gender and Community Development Network
HCMC	Ho Chi Minh City
INGO	International Non-Governmental Organization
MOET	Ministry of Education and Training
MOST	Ministry of Science and Technology
NGO	Non Government Organization
PPWG	Public Participation Working Group
SDRC	Social Work & Community Development Research and Consultancy Center
SEARAV	South East Asia Research Association of Vietnam
SNV	Netherlands Development Organization
SPERI	Social Political Ecology Research Institute
SRD	Center for Sustainable Development
TAF	The Asia Foundation
UNDP	United Nations Development Program
VIDS	Vietnam Institute of Development Studies
VNGO	Vietnamese Non-Governmental Organization
VGCL	Vietnam General Confederation of Labor
VUAL	Vietnam Union of Art and Literature
VUFO	Vietnam Union of Friendship Organizations
VUSTA	Vietnam Union of Scientific and Technological Associations

EXECUTIVE SUMMARY

This comparative research project provides an overview of civil society organizations (CSOs) in Vietnam. The research was carried out in Vietnam's two major metropolitan areas, Hanoi and Ho Chi Minh City, which are the bases for the majority of Vietnamese CSOs. The research team selected fifty representative CSOs from each city, interviewing leaders of those organizations on multiple aspects of civil society operation and development. The findings focus on civil society governance, programmatic focus, operational approaches, forms of engagement with other sectors such as businesses and government, networking, and funding.

The picture that emerges is one of a sector facing a range of serious challenges. Many CSOs have suffered a series of funding crises in recent years. Limited and unstable budgets have undermined CSOs' abilities to carry out their activities, develop coherent long-term plans and retain staff. Interviewees described downsizing, office relocation and budget crises. Many CSOs remain dependent on international donors, and most struggle to access sufficient public or private funding to support their activities. Retaining talented and experienced staff is also a serious ongoing challenge. Young people join, gain experience and then depart for jobs in the private sector or with international organizations. High staff turnover undermines activity planning and delivery. The organizations also expressed concerns about their management, governance, strategy and planning, acknowledging weaknesses that remain a serious impediment to their organizational development and impact.

Despite these challenges, interviewees were overwhelmingly optimistic about the future of their organizations and civil society in general. Eighty-six percent said they were either optimistic or very optimistic about the future. Survey respondents demonstrated a strong sense of mission, expertise, enthusiasm for their cause and flexibility in adapting to challenging operating conditions. CSOs are exploring a range of funding and operational models; some are closer to the state, others orientated toward international donors, and an increasing number are looking to the private sector as a source of sustainable support. While a small number of established CSOs dominate the national landscape, a wider group of formal and informal organizations are fashioning space for a broadening range of activities depending on local conditions.

The research also identifies interesting contrasts in the structure, operations and outlooks of CSOs between Hanoi and HCMC:

- A larger proportion of the sample in HCMC was comprised of smaller community-focused organisations, as opposed to the centers and institutes that proliferate in Hanoi.
- Hanoi CSOs are more likely to be networked with government agencies and evolve from some previous connection with the government, whereas HCMC CSOs were more likely to develop from informal social groups or faith-based organizations.
- Hanoi CSOs are much more involved in policy advocacy issues while HCMC CSOs tended to focus on services for disadvantaged groups such as street children or migrant workers.
- HCMC CSOs seem to have more difficulties in registering their organizations with relevant authorities than their Hanoi counterparts.
- Hanoi CSOs have more access to training and to donor funding, with a discernible focus on donors' program interests as a result. HCMC CSOs, on the other hand, wished there were more training opportunities available, and the lack of donor funding also meant that they were more likely to find support from individual contributions and the private sector.

1. INTRODUCTION

The rapid growth of the past two decades has transformed Vietnam economically and socially, raising living standards and lifting millions out of poverty. This growth has generated new and more complex development challenges, from environmental degradation to rising income inequality. Basic public services such as health, education, and clean water are under serious stress, and the government is struggling to maintain adequate standards and ease of access for all citizens. More and more Vietnamese civil society organizations (CSOs) are emerging, responding to the country's needs through a variety of approaches, from independent research and policy advocacy to charity work.

The nature of civil society in Vietnam remains a source of debate. It is not uncommon to encounter the view among both Vietnamese and expatriates that there are no independent civil society organizations in Vietnam. Many organizations claiming NGO status are quasi-governmental, including research institutes and professional associations. They receive core financial support from the state, at times functioning as part of the bureaucracy while at other times carrying out independent policy research and advocacy. This situation can blur the definition of what constitutes an NGO, but in the current context of civil society development in Vietnam it is important to recognize meaningful civil society action and behavior even when it comes from organizations associated with the state. Even beyond these organizations, however, the past decade has seen a surge in the number of active and independent CSOs whose contributions to the social life of the country should be recognized and documented.

Development of civil society in Vietnam

Since the first National Congress of the Communist Party of Vietnam in 1935, Party considerations of social organization in Vietnam have focused on the development of mass organizations. They maintain large memberships (Women's Union - 12 million; Farmers' association - 8 million; General Federation of Trade Union - 4.2 million; Youth Union - 5.1 million; Veterans' Association - 1.92 million) operating through extensive bureaucratic structures at central, provincial, district and local levels and continue to play a dominant role in civic life in Vietnam. Professional associations have also operated at both national and local levels since independence. By 2006 there were 364 associations registered at the national level, including VUSTA (56 associations), the Vietnam Union of Art and Literature (10 associations), the Vietnam Union of Friendship Organizations (60 associations) as well as a wide variety of other associations related to sports, economic activities, charitable activities and businesses.² At the local level, these associations are registered under local governments but whether operating at national or local level, most of them rely on state subsidies. In 2001 there were 1,400 associations operating at the local level, and this figure grew rapidly to 4,157 associations by 2006.³ Mr. Thang Van Phuc, the former Vice Minister of Home Affairs, estimated that by 2010, there were nearly 15,000 associations across Vietnam.⁴

² Nguyễn Ngọc Lâm, "*Legal Regulations on Organization, Management of Association, and Measures of refinement.*" Presentation for a workshop organized by the Legal Reform Assistance Project, Hanoi, January 2007.

³ Nguyễn Ngọc Lâm, 2007.

⁴ Thang Văn Phúc, "*Tổng quan về hội, tổ chức phi chính phủ và thể chế pháp lý cho các tổ chức xã hội ở Việt Nam*" (An Overview of Associations, NGOs, and Legal Framework for Social Organizations in Vietnam). Presentation for the annual NGO workshop organized by the Vietnam Union of Science and Technology Associations, Hanoi, 20 September 2010.

Although mass organizations continue to dominate the space for civil society, the *Doi Moi* reforms since 1986 have helped to catalyze greater diversity of civic life. There has been an increase in public awareness of the contribution of non-government actors, as many new civil society organizations have emerged to engage in a wide range of issues, from environmental protection to gender equality and disaster relief. It should be noted that the situation is different in the south, where pre-1975 tradition of social work and civic activism rooted in the churches and temples continues to lead to some differing characteristics in civil society activities in comparison to the north.

In the early years CSOs were often very clearly quasi-governmental or headed by retired government officials who wanted to contribute to the country's development and had the knowledge and the network to establish their own organizations. With no clear legal framework for civil society, Vietnamese organizations acquired their legal statuses in a variety of manners, registering under relevant ministries, agencies, departments, or with umbrella organizations such as the Vietnam Union of Science and Technology Associations (VUSTA) or the Southeast Asia Research Association of Vietnam (SEARAV). Since the government emphasized science and technology activities early on, many CSOs are registered under VUSTA and SEARAV, often describing themselves as either institutes or centers. A Law on Associations has been under discussion for many years but has yet to be formalized at the time of this writing. A series of administrative decrees govern the operations of CSOs. This has meant that, in practice, the way CSOs register as legal entities and operate remains varied and therefore confusing.

Defining civil society organizations in modern Vietnam

This complex history and regulatory environment has produced a sector difficult to define, with organizations varying widely in size and organizational structure referred to variously as unions, associations, clubs, funds, institutes, centers, committees, and volunteer groups. It is challenging to provide a concrete number for the wider community of CSOs. Estimates have provided a total figure of CSOs between 1,700 (Thang Van Phuc) and 2,000 (Civil Society Index Vietnam research).

One of the few systematic efforts to map out Vietnam's civil society was carried out from 2005-2006 using a methodology devised by CIVICUS, an NGO based in South Africa.⁵ Taking a broad and inclusive approach including the party-state affiliated mass organizations, professional organizations and umbrella organizations, the Civil Society Index Vietnam study group provided the following useful typology of civil society organizations:

⁵CIVICUS, VIDS, SNV, UNDP. *The Emerging Civil Society: An Initial Assessment of Civil Society in Vietnam* (Hanoi, March 2006).

Category	Types of organizations included in category	Relation to the state	Vietnamese definition
Mass Organizations	<ol style="list-style-type: none"> 1. Women's Union 2. Farmers' Association 3. Youth Organization 4. War Veterans Association 5. Worker's Organization (VGCL) 	Fatherland Front	Socio-Political Organizations
Professional Associations and Umbrella Organizations	<ol style="list-style-type: none"> 1. Umbrella organizations like Red Cross, VUSTA, VUAL, Cooperative Alliance, etc. 2. Professional Associations 	<ol style="list-style-type: none"> 1. Fatherland Front 2. Registered with an umbrella organization, Center or provincial organization 	<ol style="list-style-type: none"> 1. Socio-Professional Associations 2. Social and professional associations; some belong to the NGOs
VNGOs	Charity Research NGOs Consultancy NGOs Educational NGOs Health NGOs	VUSTA, Line Ministries, Provincial or District People's Committees	Social Organizations, NGOs
Community-based Organizations	Service and development or livelihoods-oriented Faith-based organizations Neighborhood groups Family clans Recreative groups	Indirect affiliation to other organizations or Civil Code Many are not registered	Rural collaborative groups Faith-based organizations Neighborhood groups Family clans

Source: Irene Norlund, "Filling the Gap: The Emerging Civil Society in Viet Nam." p. 11.

As outlined in the section below, we selected the target group for this survey building on the CIVICUS typology.

2. RESEARCH FOCUS AND METHODOLOGY

This research seeks to contribute to the growing knowledge base on civil society in Vietnam, as well as civil society development initiatives. It does not include mass organizations and umbrella and professional organizations, but only VNGOs (classed into institutes and centers) and CBOs. Given the concentration of CSOs in Hanoi and Ho Chi Minh City, this research focuses on a set of formally registered organizations in these two major urban areas as a reasonable proxy for describing trends in the country as a whole. The research team began their analysis from lists of formally registered organizations, reaching out to both NGOs and CBOs to allow the research to include a wide range of civil society activities.

Our experience, also borne out by the study, is that institutes are more likely to focus on research and consultancy services, whereas centers tend toward the implementation of programs and activities in the community. Although this distinction is not absolute, we have tried to preserve it in this research to identify more detailed trends or patterns from the data. In addition to these two types the study also includes a snapshot of the growing number of community-based organizations (CBOs) from clan associations to water users' groups to student clubs to religious charities, who often do not seek formal registration but are nevertheless active members of Vietnam's civil society.

The research sought to be as representative as possible in its sample selection. However, given the diverse forms of registration and differing patterns between north and south it is difficult to be certain that the sample captures the exact balance of size and type of organization in the two cities. We must therefore be careful to not over-interpret the data, rather using the numbers to outline themes and trends. For instance, the sample in HCMC was dominated by smaller community-focused organisations, whereas the sample in Hanoi focused on centers and institutes with few CBOs. While it is the assessment of the research team that civil society organizations in HCMC are, in general, smaller and more community focused, analysis of the data on organizational set up and behavior must be assessed, at least partially, as a contrast between smaller and larger organizations rather than as evidence of cultural difference between Hanoi and HCMC. A detailed explanation of research methodology and sample selection is included in Annex 1.

Fifty CSOs were surveyed and interviewed in Hanoi and fifty in Ho Chi Minh City, on six areas:

- Organizational structure, management, and staffing;
- Program focus and approaches;
- Engagement with other sectors (government and businesses);
- Networking;
- Funding;
- Challenges and future directions.

3. RESEARCH FINDINGS

3.1 Organizational Structure, Management and Staffing

Types of organizations

When we asked CSOs how they define their organizations, we received a wide variety of answers. Some focused on their mission, but others focused on their legal status according to their registration certificates, or on the umbrella organization to which they belong. Many wanted to select more than one option, reflecting the gap between their formal status and what they perceive as their organizational mission.

Given only one option, a number of organizations selected “other.” This tendency was particularly strong in Ho Chi Minh City, where 17 out of the 50 organizations self-identified this way. One possible explanation for this is the organizations’ rather nebulous official status. Many of them are affiliated with religious organizations or other private entities while others are under state management. Indeed, of the 17 HCMC organizations answering “other” to this question, 12 also self-identified as “other” when asked about their official registration status (see section below). This also indicates that mission-oriented organizations engaged in a number of different activities may be reluctant to pigeonhole themselves. For instance, the Institute for Practical Psychology described its activities as research, clinical practice, and social entrepreneurship. Finally, there is a possibility that organization staff may have been unfamiliar with the terminology being used in the survey.

Table 1: Self-identified CSO identity

<i>Types</i>	<i>Number of organizations</i>	
	<i>Hanoi</i>	<i>HCMC</i>
Research institute	6	6
Scientific and technology organization	10	2
NGO	28	12
CBO/ volunteer group	4	10
Social enterprise	0	3
Others	2	17
<i>Total</i>	<i>50</i>	<i>50</i>

Registration

All CSOs in Vietnam are required to register with a relevant government body, a professional or umbrella organization, a ministry, or local government entity. As such, the organization a CSO registers with depends both on whom the CSO approaches and also on whether the particular umbrella body or agency is willing to accept the CSO.

Table 2: Registration Situation of CSOs

	<i>Independent/ Not Registered</i>	<i>VUSTA</i>	<i>Mass Organization</i>	<i>Local Government</i>	<i>Other</i>	<i>Total</i>
Hanoi	3	25	0	0	22	50
HCMC	6	4	1	11	28	50

There are clear differences in terms of registration patterns between CSOs in Hanoi and HCMC. Half of the surveyed organizations in Hanoi are registered under VUSTA, in contrast with only four organizations in HCMC. Eleven HCMC organizations (mainly CBOs) are registered with the local government while no organizations in Hanoi selected this option. Forty-four percent of organizations in Hanoi and 56% of organizations in HCMC chose to register under other social and professional associations such as SEARAV or the Vietnam Relief Association for Handicapped Children.

The differences between the two cities can be explained by a couple of factors. For one thing, it is more difficult for CSOs in HCMC to approach Hanoi-based agencies such as VUSTA and other ministerial/national associations given the geographical distance. The type of organization also plays an important determining role; more CSOs in our sample in HCMC have been established as clubs or charitable entities, and it is more natural for such organizations to register with provincial-level agencies such as the People's Committee, universities, and HCMC-based social and professional associations.

Table 3: Duration of Registration Process

<i>Duration</i>	<i>Number of organizations</i>	
	<i>Hanoi</i>	<i>HCMC</i>
Less than 6 mths	36	16
6 – 12 mths	9	7
1 – 2 yrs	3	2
Over 5 yrs	1	2
Don't know/remember	1	23

said registration was easy, 9 stated that they faced difficulties, and the remaining 21 did not

want to express their opinion about this issue. In in-depth interviews, HCMC-based CSOs indicated that the lack of clear procedures and regulations and the necessity of dealing with multiple layers of local authorities posed obstacles in some cases.

While many CSOs found registration procedures challenging, a majority required less than six months to complete the registration process. These organizations are especially concentrated in Hanoi, as Table 3 shows. However, we must take care not to over-interpret the data. While nearly half of HCMC organizations did not know or were not willing to state how long their registration process took this can be partially explained by the much larger number of organizations in HCMC with histories of over 10 years (see Table 4 below). Many of the older organizations in HCMC are small CBOs, and are thus less likely to maintain institutional memory over the course of office transitions and staff turnover, leading to more “Don’t know/remember” responses. Also, during that period the concept of civil society was very new to the authorities and there was an even greater lack of relevant legal documents. Registration processes were, therefore, likely to be more *ad hoc* and haphazard than they are today.

Nevertheless, the very high “don’t know/remember” response from HCMC in comparison to Hanoi may also reflect greater reluctance to indicate how long the registration process has taken. Additionally, since CSOs in HCMC mostly access local government agencies or institutes to register, they have fewer choices in identifying a relevant agency if their work is not easily categorized or if the relevant agency is not interested. This limited ability to formalize their organizations may in turn limit their ability to grow and raise funds. This may explain why, in discussions the Foundation has had with CSOs over time, HCMC organizations have expressed more interest in a Law of Associations than their Hanoi counterparts.

Case Study 1: Social Work & Community Development Research Center (SDRC)

Established in 1989, SDRC is one of the largest Ho Chi Minh City NGOs in the fields of social work and community development. The organization benefited in its early years from the effective support and supervision of the HCMC branch of the Vietnam Psychology and Education Association, but it soon began to face funding constraints due to its legal status. Because SDRC was registered with a professional association rather than a governmental agency, under Vietnamese regulations it was unable to apply for funds. In 1992, the Center embarked on the long journey of registering as a scientific NGO with the HCMC Department of Science and Technology (DOST), a process that took nearly 10 years due to the lack of a contact within the government to steward the process. Even after finally being approved in 2001, SDRC was requested to resubmit papers for renewal in 2005 and 2010. Thankfully however, on the third attempt the organization was granted a permanent license to operate under the DOST. With this status, SDRC can implement bigger projects and expand their activities into different arenas.

Age of surveyed CSOs

Decree 35-HDBT dated 28/2/1992 on the management of science and technology activities was the first legal document to define the rights of individuals, civil society organizations and economic organizations to organize and implement scientific and technological activities since the beginning of *Doi Moi*. However, the establishment of CSOs was still relatively rare until the early 2000s, when the issuance of Decree 81/2002/ND-CP and Circular 10/2005/TT-

BKHCN by the Ministry of Science and Technology provided clear conditions for establishing and registering science and technology organizations. The data suggests that this new legal framework has had an impact on Vietnamese civil society development: 47% of interviewed organizations were founded less than six years ago. There is also a marked contrast between the north and south; southern NGOs and CBOs tend to be older than their northern counterparts, a difference that can be explained by the many CSOs active in HCMC before 1975, whose legacy continues to influence the city's civic life.

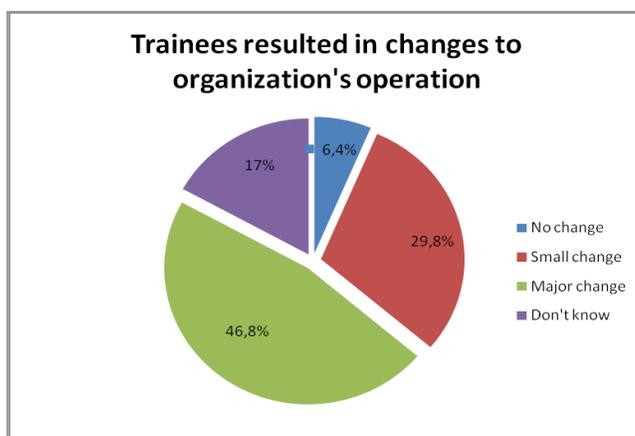
Between 1945 and 1975 the South experienced a relative boom in CSOs; from professional associations, charities to organizations supporting those affected by the war. While many of the organizations pursuing various aspects of social work were closed and replaced by state agencies after 1975, government policies toward religion meant that many religious-based charitable groups were able to continue their work and remain active in HCMC today.

Table 4: Age of organizations

	CBOs		Centers		Institutes		Total	
	Hanoi	HCMC	Hanoi	HCMC	Hanoi	HCMC	Hanoi	HCMC
< 3 years	0	2	10	2	2	1	12	5
3-6 years	3	2	12	6	6	1	21	9
6-10 years	1	4	7	2	1	0	9	6
>10 years	1	25	6	3	1	2	8	30
<i>Total</i>	<i>5</i>	<i>33</i>	<i>35</i>	<i>13</i>	<i>10</i>	<i>4</i>	<i>50</i>	<i>50</i>

Physical and human resources

Chart 1: Organizational changes resulting from training



CSOs in both Hanoi and HCMC are generally led by well-qualified individuals drawn from the ranks of researchers and retired government officials. In this sample there is a slight difference in number of staff between CSOs in Hanoi and HCMC, with an average of 12-13 staff members in the former and 15-16 in the latter. CSO staff in Hanoi generally have higher qualifications than their southern counterparts, with more Ph.D. and masters degree holders. While female staff

outnumber their male colleagues across the board, the gender gap is particularly wide in HCMC. These differences point to the contrasting nature of CSOs in the two cities. More of the

organizations in Hanoi function as research institutes requiring higher levels of education, whereas the NGOs surveyed in the south are dominated by charitable work and community interventions. The activities they carry out require more practical facilitators and social workers, professions that tend to draw more women than men.

Table 5: Human resources of CSOs

<i>Personnel</i>	<i>Hanoi 625 staff 50 orgs</i>	<i>HCMC 776 staff 50 orgs</i>
Average number of personnel/organization	12.5	15.8
Total female staff	330	512
Total male staff	295	264
Ratio of female/male staff	1.12	1.94
Average number of Ph.D.'s /organization	1.94	0.6
Average number of master's degrees /organization	2.72	1.9
Average number of bachelor's degrees/organization	6.84	6.9
Graduates of vocational schools	-	4.1
High school or lower	-	10.9

The majority of CSO staff are young and inexperienced. The leadership of most organizations surveyed stated that capacity building for their staff is a key concern. In Hanoi, more than 90 percent of the surveyed organizations send their staff to external training, although only 36 percent have a staff training budget. In HCMC, about 50 percent of the organizations invest their own budgets in staff capacity building. Interviewees commented that they struggle to allocate funds for capacity building since most of their budget is tied to specific project activities by donors. They are also under very strong pressure to cover salaries and overhead, leaving little flexibility. Not surprisingly, most CSOs prefer to take advantage of external training courses for their staff, especially when they are free of charge.

While most organizations do not invest in training courses, they are very appreciative of the training courses that their staffs attend, which improve staff skills related to communication, advocacy, training methodologies, negotiation, project management, reporting, and planning, among others. International training courses are particularly appreciated for the opportunities to be exposed to new perspectives and training methodologies. In all, almost half of surveyed CSOs indicated that staff participation in training courses had contributed to major changes for their organizations, with 30% stated that they had brought about small changes. In general, NGO staff rarely participate in long training programs, tending to prefer shorter sessions with

TOT training skills to allow them to conduct training for internal staff and co-workers, as well as for community members who live in areas where NGOs operate.

Most of the Vietnamese CSOs stated their staff turnover is high as they struggle to compete with the better salaries and benefit packages offered by INGOs and the private sector. Most CSOs also have difficulty securing a comfortable and convenient workplace. Among all the organizations surveyed only one owns its own office while virtually all struggle to raise money to pay the rent. Over the last few years CSOs have experienced funding shortages, forcing many to rent offices far from the city center or temporarily move into the residence of a leader or a volunteer.

Leadership and management

The registration procedure for CSOs requires that each organization establish a board of directors. Twenty-four percent of surveyed organizations have simplified their management structure since commencing operations, replacing the board with a single director with or without a vice director. Of the organizations who have kept their boards, all indicated that their director remains fully in charge of day-to-day operational, management, and decision-making processes. This is indicative of the small size of most Vietnamese CSOs as well as the generally dominant role of individual leaders within organizations.

Table 6: CSOs with boards of directors

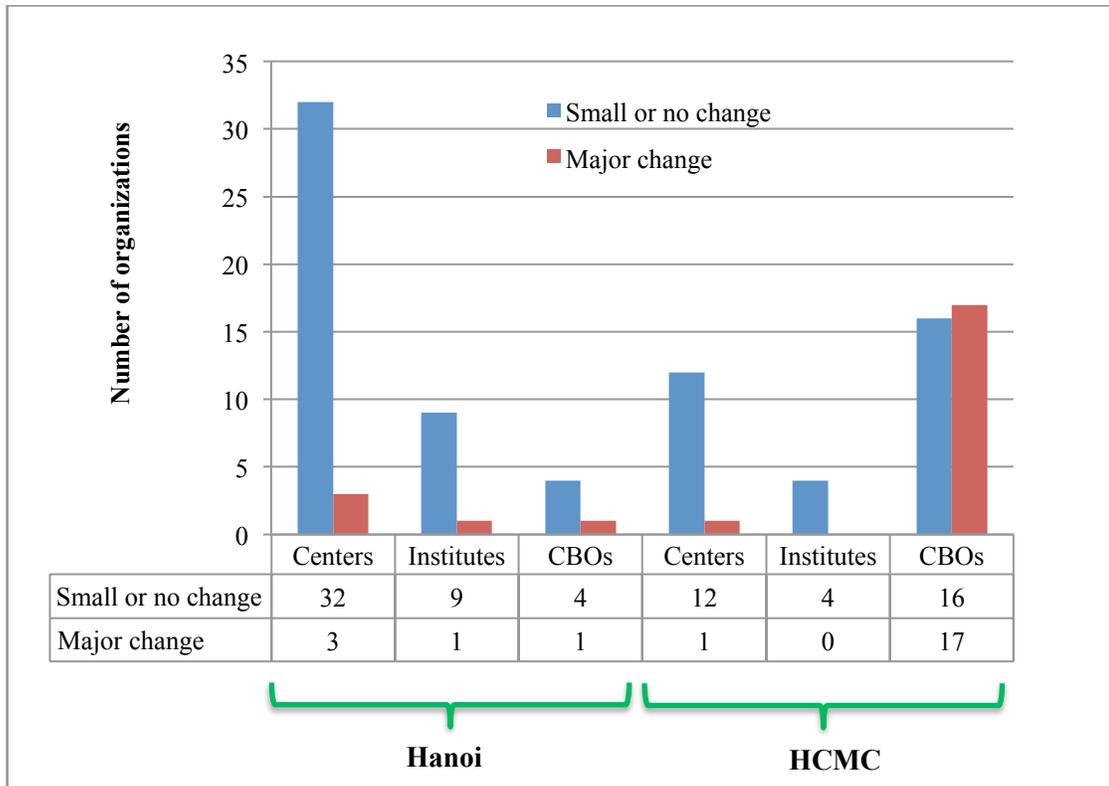
	CBOs		Centers		Institutes		Total	
	Hanoi	HCMC	Hanoi	HCMC	Hanoi	HCMC	Hanoi	HCMC
Yes	4	23	28	11	6	4	38	38
No	1	10	7	2	4	0	12	12
<i>Total</i>	<i>5</i>	<i>33</i>	<i>35</i>	<i>13</i>	<i>10</i>	<i>4</i>	<i>50</i>	<i>50</i>

Founders of CSOs come from a variety of different backgrounds and motivations. Many are retired government officials who have launched organizations to take advantage of their experience and networks. These organizations tend to have better access to government funding through state-funded research projects. This was particularly the case in the early years of civil society development in Vietnam. However, there is also a new generation of CSOs emerging led by younger, well-educated professionals with a strong commitment to social equality and justice. The importance of INGOs as a training ground for CSO leaders should also be noted, with a number of former INGO workers leaving to start their own organizations. Although still limited in scope, this recent development is injecting greater professionalism, confidence, and dynamism into the civil society environment in Vietnam.

Many CSOs are dominated by their founders, who tend to be involved in every aspect of organizational operations. Although effective leadership transition is an important condition for organizational sustainability, Chart 2 below shows a generally high level of leadership continuity among surveyed CSOs, with a more balanced picture of leadership transition present only among CBOs in HCMC. This may be partly due to the longer history of HCMC CSOs, but

the reality is that CSOs generally find it very difficult to replace their leaders. There is only a small pool of talented individuals who are available and have the capacity to lead an organization, especially when they would be better compensated in other occupations.

Chart 2: Organizations with changes in leadership since founding



CSO leaders we interviewed generally stated that leaders’ age is not important, and that organizational performance depends on capacity, sense of responsibility, prestige, hard work, and management skills. Interviewees stated that leadership age, however, can have varied organizational impacts. While young leaders can be more active and enthusiastic, there are examples of them struggling to establish effective working relationships, especially with authorities, which is important in Vietnam. Meanwhile, older CSO leaders may have broad relationships and experience but can be conservative and slow to accept new methods and program initiatives. The majority of CSO leaders are between 35 to 55 years old (52% in Hanoi and 74% in HCMC). Interestingly, this sample identified far more leaders below the age of 35 years in Hanoi (24%) than in HCMC (6%). This comes as a surprise given that Hanoi CSOs tend to be more focused on policy and research, potentially requiring a more senior network of contacts to secure and implement projects, while HCMC CSOs tend to focus on community interventions. However, it should be noted that the 12 Hanoi organizations with young leadership were all relatively new, with all but one having been founded in the last six years.

Table 7: Age of CSO leaders

CBOs		Centers		Institutes		Total	
Hanoi	HCMC	Hanoi	HCMC	Hanoi	HCMC	Hanoi	HCMC

<35 years	2	3	9	0	1	0	12	3
35 – 55	3	24	17	9	6	4	26	37
>55 years	0	6	9	4	3	0	12	10
<i>Total</i>	<i>5</i>	<i>33</i>	<i>35</i>	<i>13</i>	<i>10</i>	<i>4</i>	<i>50</i>	<i>50</i>

3.2 Program Focus and Strategy

Strategic planning

When asked about their key priorities and strategic foci, responses from the interviewed organizations fell roughly into two categories. The first focused clearly on substantive themes related to sustainable development, social justice and equal opportunities for poor and vulnerable groups in society. The second set of responses emphasized operational challenges such as developing projects and fundraising to stabilize their activities.

In terms of planning, all respondents said their organizations had a clear founding mission. Between two thirds and three quarters of organizations have multi-year strategies, while the remaining organizations indicated that their directions were formulated among key staff and they didn't have the human or financial resources to invest in the development of a formal strategy. Most organizations stated that they had a clear annual plan. For the 12% who did not have one, the reasons had to do with fear of imminent closure or lack of adequate organizational capacity.

Fields of operation

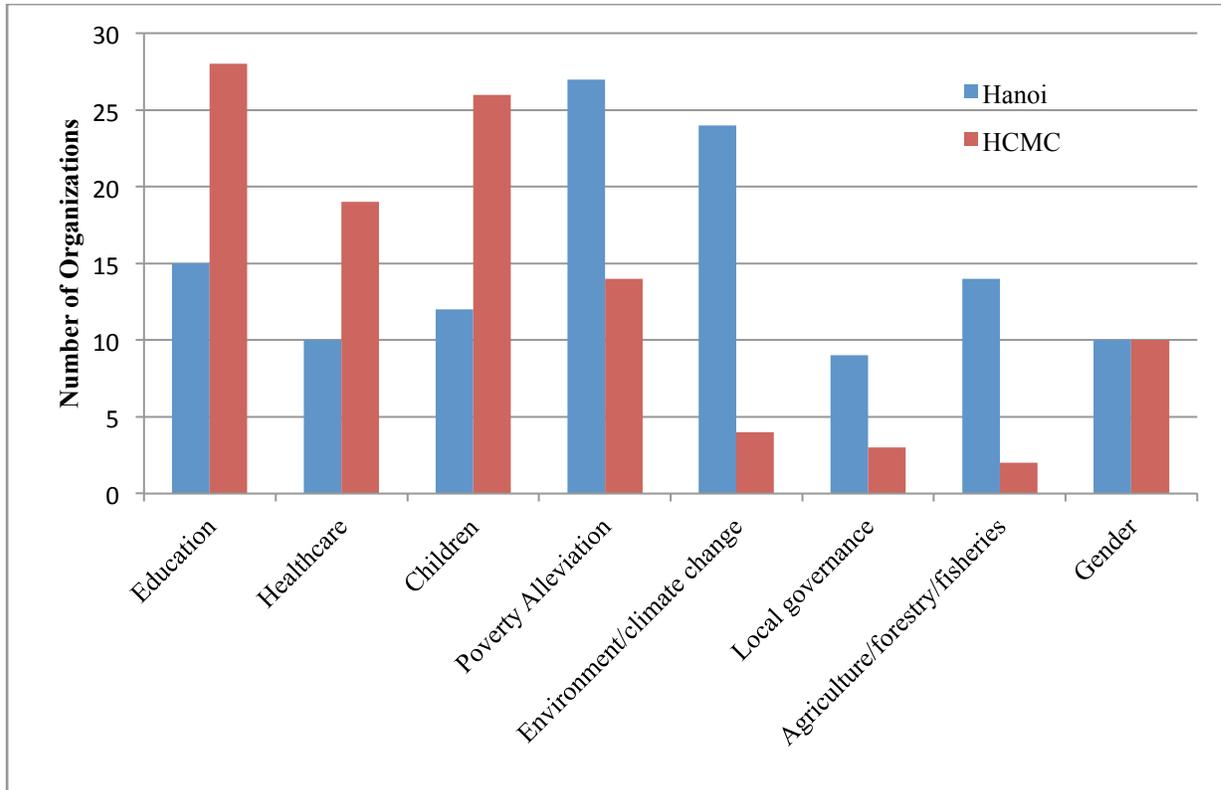
Poverty alleviation and community development are the traditional focus areas for Vietnamese CSOs. These activities have been particularly concentrated in remote or predominantly ethnic minority areas and largely financed by international donors or state resources. However, with the recent expansion of civil society has come a widening of scope to include a broader range of livelihood models and focus areas such as education, gender equality, natural resource management, and climate change.

Chart 3 below breaks down the surveyed organizations' fields of operation by location. In general, there is a propensity for Hanoi CSOs to focus on research, policy analysis, and technical assistance whereas HCMC CSOs tend to concentrate on concrete social issues and the provision of services to disadvantaged populations in the community. Issues related to children and youth, the disabled, and HIV/AIDS make up a larger share of HCMC organizations' work than their counterparts in Hanoi. The longer history in the south of social work as a field of study and practice helps explain these differences, as does the greater involvement of faith-based organizations in non-profit and charity work in HCMC. Moreover, the relative focus of Hanoi organizations on issues related to the environment, governance, and natural resource management can perhaps be explained by the fact that these areas are more conducive to policy advocacy, a strategy used predominantly by Hanoi organizations.

Proximity to bilateral donors and international organizations also shapes the program agenda of Hanoi organizations. As a case in point, climate change is a hot topic among the global

development aid community, and the proliferation of funding for projects in this area has incentivized Hanoi CSOs to orient their activities toward climate change mitigation and adaptation. This is despite the fact that potential impacts of climate change tend to be more severe in the South.

Chart 3: Fields of operation



Of the 62 centers and institutes interviewed, only 13 operate in just one field. CBOs in contrast tended to focus only on one or two fields, especially if they concentrate on working with children or disabled people. Organizations working in multiple fields were keen to stress that multi-dimensional interventions are necessary to address complex development issues or social problems, while organizations working in a specific field were just as keen to stress the benefits of deeper and focused interventions.

The majority of CSOs in both Hanoi and HCMC are largely continuing to work on the issues that they started with when they were first established. However, a significant number of organizations, including almost half of the 38 CBOs and over 30% of the 48 centers in the sample, said they had changed focus to adapt to changing socio-political needs as well as funding sources.

Case study 1: Social Political Ecology Research Institute (SPERI)

SPERI, an organization focused on ethnic minority rights within resource and ecology systems, initially focused on community development. After a few years, they shifted more time and resources into research and training for young ethnic minority leaders. Now all of SPERI's activities are directed toward policy advocacy on ethnic minority rights and sustainable development. For the Center for Cultural Research, Assistance and Development, an NGO established in May 2005 under VUSTA, the focus was on research, developing manuals on cultural management and training trainers on new cultural management approaches. However, a funding shortage in 2011 led the organization to adopt its current emphasis on integrating films into the education system.

In most cases of changing focus that were not necessitated by lack of funding, CSOs opted to widen the scope of their existing activities rather than completely change direction. Some trends are discernible:

- Shifts from direct assistance as a service provider to approaches that utilize communication and advocacy strategies.
- For some, expansion of the scope of work, widening the pool of targeted clients and beneficiaries.
- For others, more selective targeting of beneficiaries, providing more concentrated and comprehensive assistance to a smaller group.

Approaches to program implementation

Table 8 below shows the programmatic approaches organizations participating in the survey identified themselves as using.

Table 8: Mode of operation

	<i>CBOs</i>		<i>Centers</i>		<i>Institutes</i>		<i>Total</i>	
	<i>Hanoi (5)</i>	<i>HCMC (33)</i>	<i>Hanoi (35)</i>	<i>HCMC (13)</i>	<i>Hanoi (10)</i>	<i>HCMC (4)</i>	<i>Hanoi (50)</i>	<i>HCMC (50)</i>
Service delivery	2	20	26	8	2	3	30	32
Capacity building	1	5	22	7	5	4	28	16
Research	0	1	21	10	10	4	31	15
Policy advocacy	2	5	16	7	9	0	27	12
Other	5	17	2	3	2	1	9	21

**numbers in parentheses indicate total count of organizations in the sample*

Service delivery: The traditional focus on poverty reduction and community development means that service delivery is still a central approach for CSOs: 30 organizations in Hanoi and 32 in HCMC identified it as a mode of operation. Service delivery takes place at three different levels: i) Organizations collaborating with government agencies to deliver services according to specific government policies; ii) Organizations providing services that are not part of

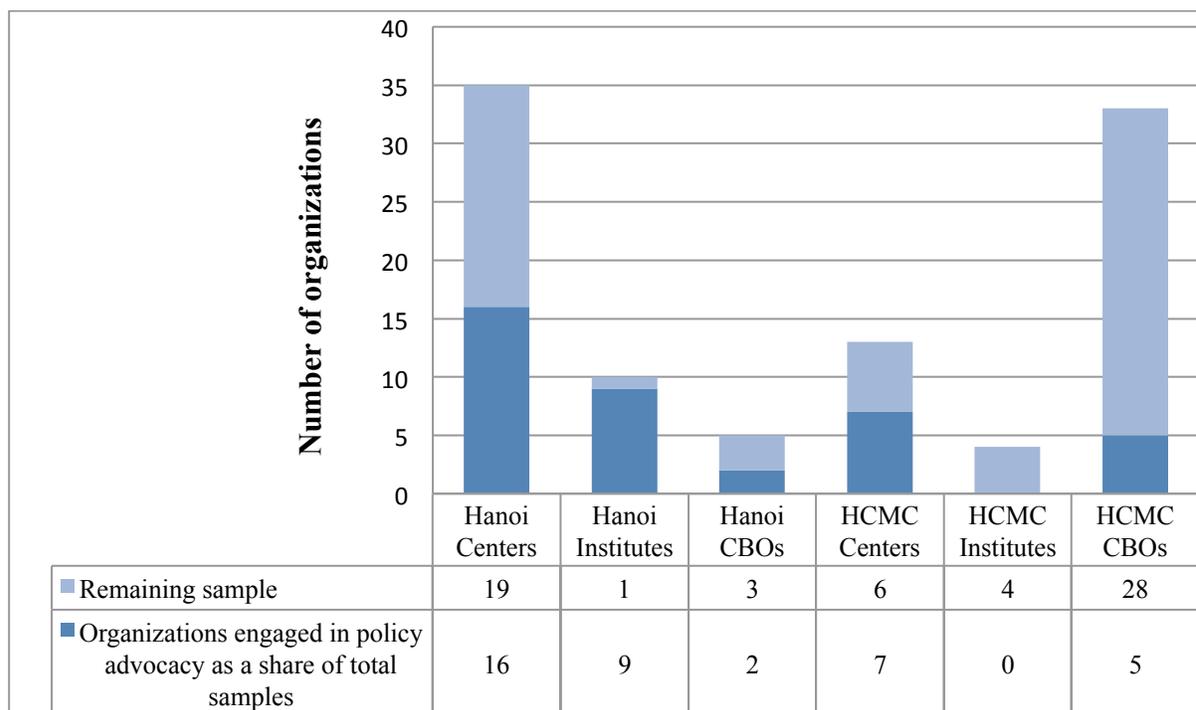
government programs; and iii) Organizations engaging with authorities by conveying the concerns of their members to government agencies, identifying shortcomings, and suggesting new approaches or improvements to existing programs. Interviewees said that government agencies often operate in a top-down manner, applying a single approach to different programs and diverse localities. CSOs work to balance this with a bottom-up approach which encourages public participation and community-based capacity building.

Training and capacity building for other organizations: Forty-four percent of the survey sample stated they carry out training and/or capacity building for others, targeting local people, local authorities, mass organizations, and other CSOs. More than half of the total 62 centers and institutes surveyed responded affirmatively to this question, as did 6 CBOs out of 38 surveyed.

Research: All institutes whether in Hanoi or HCMC describe research as their main mode of operation. Research is also a key activity for centers but much less for CBOs. Respondents tended to carry out research in connection with other activities, gathering lessons and evidence to help influence stakeholders such as policy makers, donors, other NGOs and academia.

Policy advocacy: While policy advocacy is a relatively new concept in Vietnam, a large number of CSOs claim to engage in this type of activity. However, as illustrated in chart 4, more CSOs in Hanoi claim to be active in policy advocacy than their HCMC counterparts.

Chart 4: Number of organizations engaged in policy advocacy, by region and organization type



This difference between Hanoi and HCMC can be explained by a number of factors: (i) Institutes and Centers with research capacity make up a greater share of organizations active in Hanoi; (ii) Policy advocacy requires access to legal information and relationships with policymakers, in which Hanoi-based organizations have an advantage; and (iii) There is a

strong perception among HCMC CSOs that authorities are more open to policy engagement with organizations in Hanoi than in HCMC.

Our interviews with organizations in HCMC show that they perceive great sensitivity around policy advocacy, and that they are too far removed from the broader dialogue on civil society development to feel confident and comfortable pursuing policy advocacy work. Finally, NGOs not working on policy advocacy in HCMC also contended that they do not believe that state officials will change their policies or ways of working as a result of advocacy because of a strong institutional bias toward the status quo.

NGOs use a wide range of policy advocacy strategies, with the most popular being publishing their research and organizing workshops. There is also a strong use of the media to convey messages, from print to internet, as well as the use of films and video to document their work for policy advocacy purposes. The position of CSOs in the policymaking process remains under debate and as such, only a few CSOs chose to participate directly in policy making processes or submit open letters and petitions to the government but instead rely on personal connections with government officials as a critical factor for successful policy advocacy.

Case Study 3: Consultancy on Development Institute (CODE)

The Consultancy on Development Institute (CODE) was established in Hanoi in early 2007 as an independent NGO, working on development policy analysis and advocacy. CODE specializes in projects and forms of development which require co-operation between the government, private sector, and civil society. Although there is an increasing understanding of the concept of policy advocacy in Vietnamese society, there are still many limitations in practice to this kind of work. The state still lacks an adequate legal framework, while both the private and civil society sectors still lack adequate capacity to effectively lobby the government.

CODE's establishment coincided with a decision by senior Vietnamese leaders to approve a plan for large-scale bauxite mining in the central highlands. In response, CODE and its partners devised a number of activities to raise awareness among its key stakeholders about the plan's deleterious impacts and advocate on behalf of ethnic minority communities in the area. As a result, a very high level of discussion was achieved among scientists, civil society representatives, and the various branches of government. The issue of whether Vietnam should continue with bauxite mining remains unresolved, but CODE's work has helped ensure that the policy discussion retains some focus on the sanctity of rural livelihoods and the importance of using natural resources in a sustainable fashion.

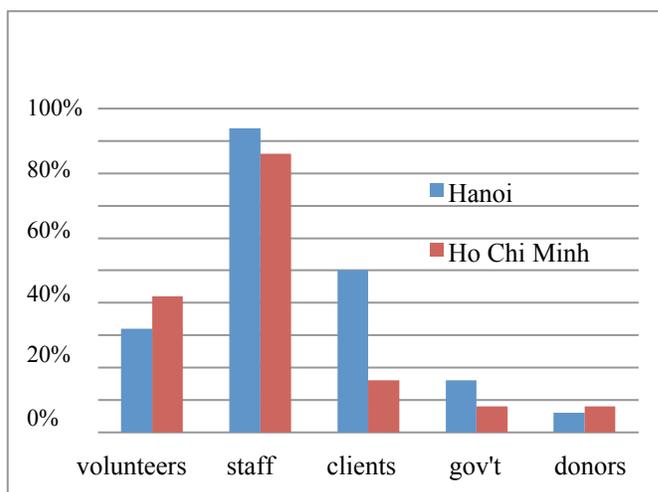
Participation of stakeholders

CSOs often stress their participatory, people-centered approaches. We asked about stakeholder participation in program design, implementation, and monitoring and evaluation. During problem identification in both Hanoi and HCMC, CSO staff are the main actors. Partners, clients, related government departments, volunteers and donors are also occasionally involved in the process.

Involvement of other stakeholders in the planning process also tends to be limited, but the roles change somewhat during program implementation. As shown in Chart 5, other stakeholders

play a significant role in the implementation process. CSOs in Hanoi tended to have greater engagement from clients and government actors but HCMC CSOs were more likely to engage volunteers.

Chart 5: Participation of stakeholders in program implementation



Program management, monitoring and evaluation, and fundraising are also all primarily the domain of leaders and permanent staff. Different stakeholders participate depending on the activity, with partners having a greater role in program management, while many NGOs also identified foreign volunteers as being significant in fundraising efforts.

3.3 Engagement with other sectors

Interaction with central and local governments

The growth in the number of legally recognized professional associations, research and training centers, institutes, and NGOs as well as thousands of informal and unregistered groups currently existing in Vietnam reflects a relatively more hospitable environment provided by the state for civic engagement. The development of a more vibrant civil society sector is a natural outcome of a more open economic system and society, increasingly connected to regional and global trends and information networks. In addition, the government increasingly recognizes that the complex nature of the development process requires contributions from many stakeholders, and civil society organizations can play a constructive role in providing feedback to improve the effectiveness of government policies.

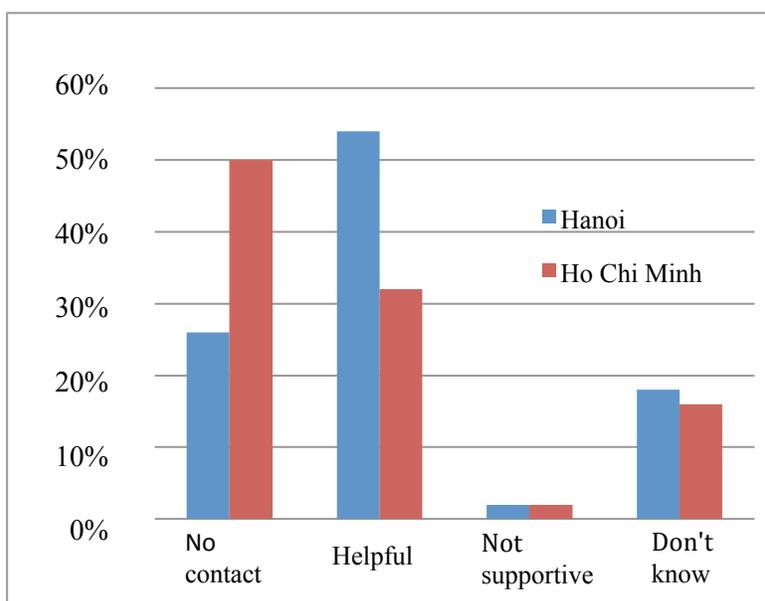
However, this relationship between the state and civil society in Vietnam is still very much evolving. The ongoing lack of a clear legal framework for civil society organizations creates an uncertain operating environment and reinforces the importance of personal networks in getting things done rather than a set of transparent procedures applicable to all NGOs. A Law on Associations has been debated in the National Assembly in the past, but was shelved following a number of disagreements over its provisions in the mid-2000s. Seventy-five percent of organizations surveyed in this study stated they believe enacting such a law would improve the position of CSOs in Vietnam.

Respondents noted that many government officials do not understand the role of civil society, or even the terminology of civil society and NGOs. In particular, local authorities often view NGOs suspiciously, perceiving the term for “non-governmental” (*phi chinh phu*) to mean lacking or beyond government control. This reflects a serious information gap that needs to be addressed and underscores the prevalent view within the government that civil society organizations need to be controlled rather than encouraged.

Given this environment, it is not surprising that establishing close relationships with the authorities at different levels is vital to most organizations' strategies and a determining factor in the success of their program activities. The majority of CSOs whether in Hanoi (78%) or HCMC (76%) emphasize working with the government as part of their objectives. Respondents were clear on the importance of creating mutual understanding and setting up good relationships with authorities.

Many CSOs encountered difficulties when they first reached out to authorities, especially at the local level. However, this tends to improve after a good working relationship is established and mutual understanding is achieved: Seventy-two percent of organizations in Hanoi and 76% in HCMC stated that they received good support from local authorities. However, 22% of Hanoi CSOs and 10% of HCMC CSOs selected the option "don't know" when asked about their relationship with the authorities, perhaps because they saw the issue as sensitive.

Chart 6: Relationship with the central government



In terms of relationships with the central government, half of the CSOs in HCMC have no contact with central ministries compared to 26% in Hanoi. Only 32% of organizations in HCMC perceive relationships with the central government as helpful, whereas 54% of organizations in Hanoi do. Again, this is not surprising given the geographical distance of HCMC CSOs from central government agencies and the higher proportion of organizations in Hanoi engaged in policy advocacy.

Interaction with the private sector

As the private sector grows in Vietnam, the issue of corporate social responsibility (CSR) is becoming increasingly prominent. Businesses are recognizing that CSR can help promote their brands, including through engaging in charitable activities. Many CSOs already target the private sector, largely for funding sources for their programs but also increasingly as an influential stakeholder with great impact on local communities. More than half of the CSOs we surveyed in Hanoi and Ho Chi Minh City indicated that they have contact with the private sector.

Different patterns in relationships between CSOs and the private sector were apparent in the responses from Hanoi and HCMC. There is a greater engagement of businesses in HCMC as a source of funding for NGO activities; 42% of surveyed CSOs in HCMC view enterprises as donors/sponsors whereas only 24% of organizations in Hanoi do. CBOs, particularly those with charitable focuses, primarily identified businesses as donors and seek to raise funds through

personal relationships. For example, the Club of Parents of Children with Autism in Hanoi often calls on Petrolimex, a prominent oil and natural gas conglomerate, or construction companies to provide financial support for their activities. There is a greater emphasis by CSOs in Hanoi on the role of businesses as partners/clients in delivering their development. In addition, given the stronger focus of CSOs in Hanoi on policy-related issues, they also consider businesses a target for advocacy in areas such as social responsibility and environmental protection.

3.4 Networking

CSOs regularly interact with one another at different levels to network, share information, and to collaborate on program activities. Ninety-two percent of organizations in Hanoi and 90% of organizations in HCMC said they frequently meet with similar organizations to build up cooperation, while 68% of organizations in Hanoi and 74% in HCMC stated they cooperate with other organizations to implement programs and projects.

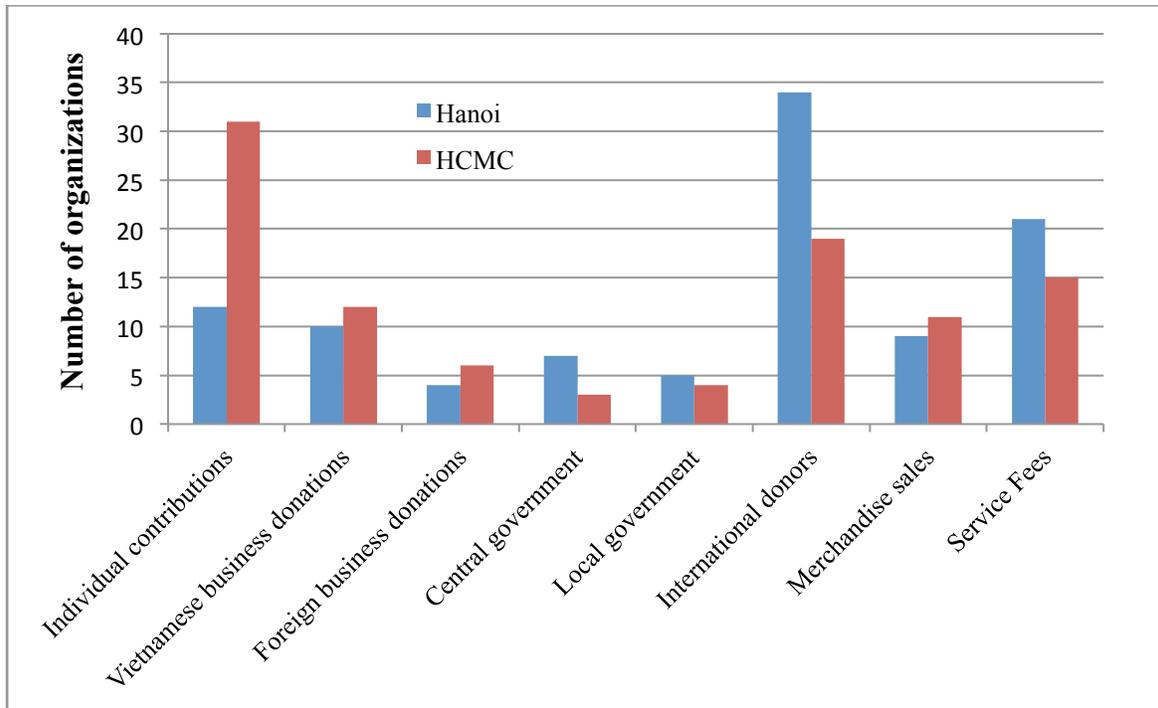
There are many unofficial civil society networks in Vietnam, including the Agent Orange Working Group, Child Rights Working Group, Climate Change Working Group, Disability Working Group, Ethnic Minorities Working Group, Microfinance Working Group, Sustainable Agriculture Working Group, and Natural Resources Management Working Group. However, most CSOs in our survey participate in these networks as observers rather than active members. Some 80% of all CSOs surveyed in Hanoi and HCMC indicated that they are members of a network, but when asked about their level of participation, a quarter of these organizations said they never or rarely participated in network meetings. Twenty-eight percent of the Hanoi CSOs and 40% of the HCMC CSOs said they sometimes participated in network meetings. Respondents reported that most network activities focused on information sharing, but many felt that they are not very useful due to a lack of strategy or clear way of working. The networks led and supported by INGOs were generally regarded as more effective.

Not surprisingly, those who do not participate in networks tended to provide a lower rating of network effectiveness. Several complained that networks often discriminate against younger organizations, channeling opportunities and funding toward core members. Others stated that many organizations participate just for information gathering, and their representatives do not contribute much to network meetings or activities. Organizations that felt networks were effective said they were useful for sharing information, developing cooperation, and attracting funding.

3.5 Funding

Funding sources

Chart 7: Funding sources



As Chart 7 shows, funding sources of CSOs are quite diverse, coming from individual contributions, private sectors donations, central and local government projects, international donors, merchandise sales, and service fees.

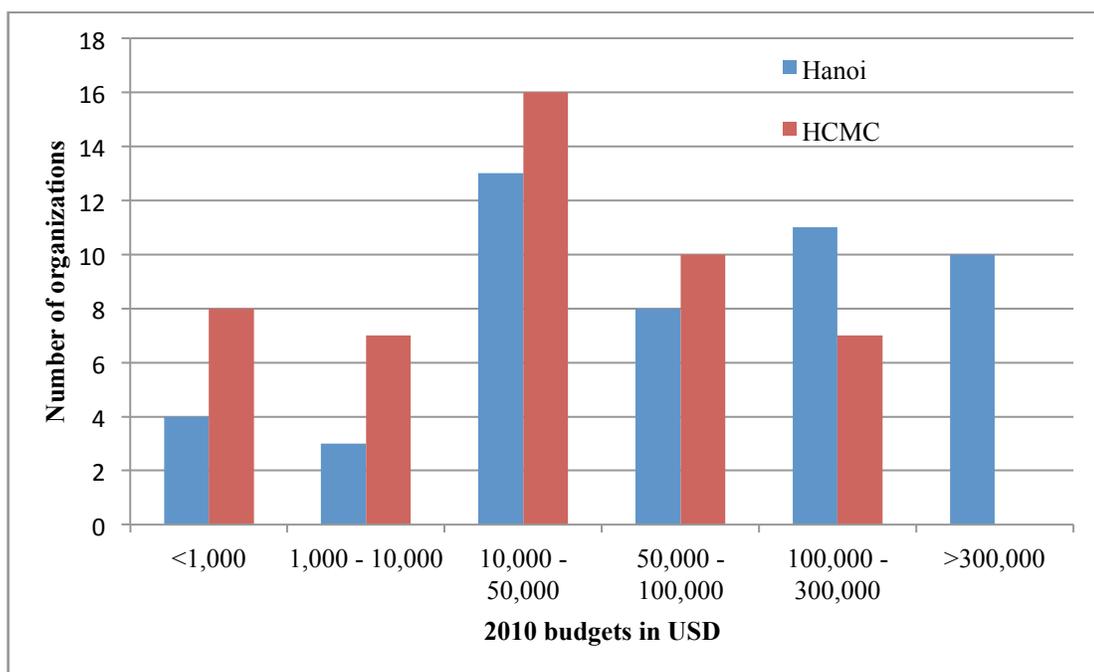
The biggest difference between funding sources for CSOs in Hanoi compared to those in HCMC is the availability of funds from international donors. Seventy-two percent of Hanoi organizations surveyed took advantage of such funds, including all but one of the 10 research institutes in the sample. Meanwhile, HCMC organizations are clearly more proactive in soliciting funds from individual donors. The participation of the private sector in philanthropy is also higher in HCMC, as noted in The Asia Foundation’s 2011 report on philanthropy in Vietnam, which documented much greater corporate giving in HCMC than in Hanoi.⁶

Despite the rising profile of the role of philanthropy in civil society development in Vietnam, the size of individual donations still tends to be small. However, more and more organizations are taking steps to branch out from traditional civil society funding models to diversify their revenue streams. A significant number of organizations in both Hanoi and HCMC are utilizing market-oriented strategies such as merchandise sales and service fees to bolster their financial bases.

⁶ See The Asia Foundation, and the Vietnam Asia Pacific Economic Center, “*Philanthropy in Vietnam*,” (Hanoi, 2011).

Financial security

Chart 8: Budgets of surveyed CSOs for 2010 (in USD)



Funding is a significant issue of concern for most CSOs, particularly for CBOs which tend to operate on a more *ad hoc* basis, developing activities as they raise money and relying on volunteers. Given that operating model, CBOs in both Hanoi and HCMC are particularly at risk with 15 out of 38 such organizations in the sample running on budgets of less than \$US 10,000. Moreover, a significant number of organizations in the sample are operating on razor-thin budgets of US\$ 1,000 or less, comprising of 16% of surveyed organizations in HCMC and 8% in Hanoi.

Respondents discussed a number of causes leading to their precarious financial situations. The leaders of these organizations tend to be older retired officials, and they do not have the energy and the capacity to fundraise adequately in the current difficult economic climate. Organizations that depend exclusively on membership fees or individual contributions often do not have sufficient funds to cover their costs, and organizations lacking a clear program direction are also less competitive.

The average annual budget for CSOs in this sample is between USD \$10,000 and USD \$50,000, but a significant number of organizations are operating at the higher levels of USD \$50,000-100,000 and USD \$100,000-300,000. At the higher end of the budget scale, especially beyond the USD \$300,000 figure, Hanoi-based institutes dominate.

Case study 4: Disability Research and Capacity Development (DRD)

DRD was set up in Ho Chi Minh City in December 2005 as a program under the Department of Social Work, HCMC Open University, with the goal of encouraging people with disabilities (PWDs) to be confident in themselves and to promote their active participation in all spheres of society. From its outset, DRD worked as an independent program under the management of HCMC Open University who directly received all grants on behalf of DRD. However complicated financial regulations meant that the organization had to complete an arduous process to receive funding from foreign donors, involving separate permission from the Open University as well as from the Ministry of Education and Training (MoET), which often delayed project implementation. Only after registering with VUSTA in 2010 has DRD been able to receive grants of US\$1 million from foreign donors. Organization staff note that VUSTA's support has been especially helpful in financial management since it helps smooth away unnecessary complications. As a result, DRD has been able to expand the scope of its activities beyond HCMC to the entire region of Southern Vietnam, and can play an important role as a networking and consulting agency for VNGOs working on disability issues.

Impacts of international donor presence

International donors play an important role in supporting Vietnamese civil society, both technically and financially. Fifty-three organizations in the sample receive some form of international funding. Of those, 34 said they would feel a large impact or have an organizational crisis if international funding was cut.

CSOs who have received international funds are very appreciative of the positive impact of international donors. As noted in the table below, recipients most often identified funding availability as the most important impact of donors, while also identifying technical support and organizational capacity building as an important contribution.

Table 9: Impacts of international donor presence on Vietnamese civil society

	Hanoi (34)	HCMC (19)
<i>Positive</i>		
Assists organizational and strategic development	24	13
Important funding source	32	15
Increased gov't willingness to allow VNGOs to operate	8	9
<i>Negative</i>		
INGOs compete with VNGOs for qualified staff	18	8
Changed NGO priorities	11	5
Decreased gov't willingness to allow VNGOs to operate	5	0

However, survey respondents also identified some negative impacts of the international donor presence. Surveyed organizations identified two main factors. First and most prominent is the stiff competition for high-quality staff. International organizations not only provide more attractive compensation and benefit packages but also utilize more sophisticated equipment and tend to be located in more convenient locations, thus attracting more competent and experienced staff. Secondly, CSOs also complained of INGOs and international donors affecting CSO priorities because of the strong financial incentives they exert, with 31% of CSOs in Hanoi and 26% of CSOs in HCMC raising this as an issue of concern.

3.6 Challenges and future directions

Administrative procedures and legal environment

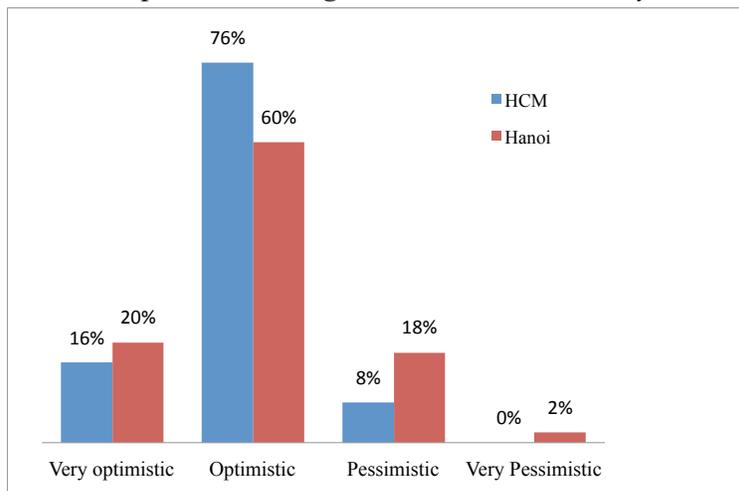
Administrative procedures and the legal environment are key challenges for the development of CSOs. Recent administrative decisions have made the activities of CSOs and particularly science and technology organizations more complex. These include Decree 93/2009/NĐ-CP, which regulates the management and use of foreign non-governmental aid; Prime Ministerial Decision No 97/2009/QĐ-TTg, which defined a list of categories of science and technology organizations that can be established; and Ministry of Science and Technology Circular No 02/2010/TT-BKHCHN, which provided more detailed guidance on the establishment, registration, and operation of science and technology organizations. These new administrative guidelines emphasize state control on the one hand and the technical role of civil society on the other, leaving little room for CSOs to engage in policy review and advocacy. While organizations are finding ways to adapt to these recent changes, they have also noted that many state officials have become more reserved and skeptical about civil society, viewing them as competing with or diminishing state power rather than as a collaborative partner in the country's development process.

Optimism among CSOs

Despite the economic downturn threatening the survival of many CSOs and a more challenging operating environment, a large proportion of CSOs remain very positive. Eighty-six percent of all CSOs surveyed were optimistic or very optimistic about their organization's future.

However, Hanoi CSOs in the sample showed a slightly higher level of pessimism than their HCMC counterparts.

Chart 9: Optimism among Vietnamese civil society



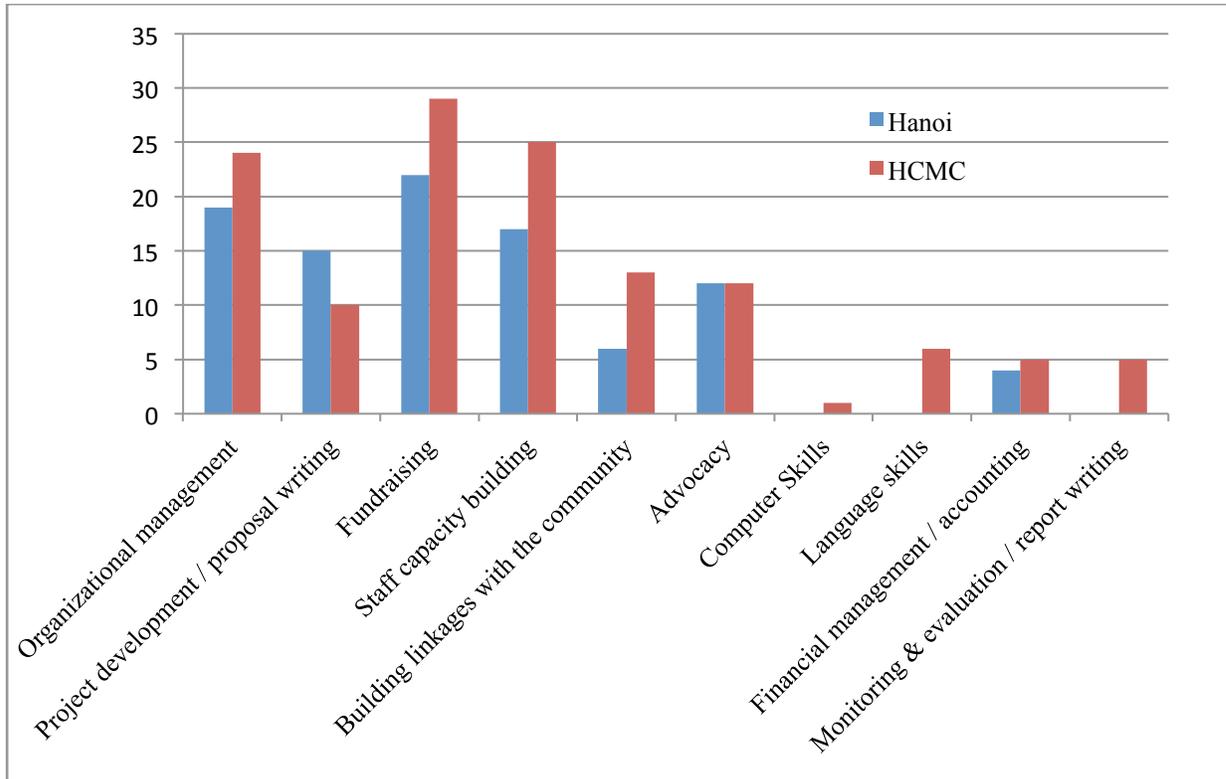
Reasons for optimism varied. Sixty-four percent of organizations surveyed believe strongly in their organizational direction, while 26% noted the continuing availability of donor funding despite rising average incomes in Vietnam. Twenty percent believe that state policy toward civil society and NGOs is moving in a positive direction. A variety of other reasons were also voiced, many related to social issues which are seen as likely to highlight the

activities of CSOs. These include the increasing societal needs for social work and trained social workers and the challenges of dealing with increasing numbers of migrants in HCMC. Increasing trust and cooperation between international donors and Vietnamese CSOs was also seen as a positive sign for the future.

Organizational development needs

The respondents identified a number of challenges to their organizations' development.

Chart 10: Areas most in need of improvement



Three key areas stand out from the survey results:

- *Financial resources*: Fundraising to implement projects and stabilize organizations was identified as a crucial challenge by more than half of CSOs surveyed. In general, they remain very dependent on international donors and find it difficult to bid for public projects given the cumbersome administrative process and the importance of having personal connections within the government.
- *Human resources*: CSOs face significant difficulties recruiting and retaining qualified staff. Many people use CSOs as a learning experience to accumulate knowledge, experience, and relationships before they move to work in a more lucrative field, and the resulting high rates of staff turnover can lead to instability in the organization.
- *Organization management, governance, strategy and planning*: Forty-three percent of surveyed organizations identified improvements in management, governance, and strategic planning as key to their further development.

4. CONCLUSIONS

Despite the nascent state of the sector, civil society in Vietnam is varied in organizational and business model, focus issues and approaches. Organizations surveyed ranged from those with a barely functioning budget to dominant players administrating over a million dollars worth of programming. Despite a sector-wide reluctance to clearly define objectives and narrow areas of operation, trends can be drawn in the emphases and activities of institutes, centers and CBOs. Institutes remain focused largely on research, separate from the practical community focused activities delivered by the majority of CBOs.

Individual leaders dominate organizations, and their background is key to determining the direction and operation of the organizations. Among the organizations operating at a national level there are divisions between those who are intellectually and financially oriented toward international donors and those, often headed by former officials, who are closer to the state and able to leverage connections and expertise to access state funding. Only a limited number of organizations, so far, have been successful at bridging the space between the two groups. Below these more national oriented organizations, a larger number of small CSOs are establishing themselves in local spaces, responding to local need and exploring different models of organizations and support.

There are regional differences, as a result of both historical trends in associational activity and current attitudes, including from the local authorities. While these trends are possibly accentuated in our survey by the sample selection process, organizations in HCMC tend to focus more closely on service delivery activities, developing a more diversified funding base and only engaging government at a local level.

CSOs continue to face a challenging environment. Survey responses from both Hanoi and HCMC voiced real apprehension about fundraising, staffing, and organizational governance. While the number of CSOs has grown rapidly in the past decade, recent changes to the regulatory framework have made registering, operating and implementing programs more difficult. At the same time, the economic downturn has put an even tighter squeeze on precarious financial positions. Organizations remain highly dependent on international grants. Over half receive international funding with over a third stating that funding cut would lead to serious consequences for their organizations.

Despite all these challenges, CSOs are overwhelmingly positive in their outlook and enthusiastic about their organizations and their contributions to addressing development issues. The survey identified several trends that potentially foreshadow a more mature, effective and sustainable sector in the future. While talent retention remains a serious issue, the prospect of a younger, technologically driven and innovative generation of leadership returning to domestic CSOs after working in international NGOs bodes well for the future. Similarly the survey shows a sector exploring a wide variety of fundraising avenues. While these initiatives largely remain small and ad hoc, many organizations are exploring operational models that access a variety of domestic financial resources. Doing so successfully will be vital for the future health of the sector. Similarly, while organizational development and planning is often patchy, almost half of CSO leaders identified it as an area of focus in the coming years. In a challenging environment the sector remains resolutely optimistic and flexible, seeking out space and adapting organizational structures and approaches to the Vietnamese policy and regulatory context.

Finally, it is our hope that this report will contribute to the growing knowledge base on civil society in Vietnam, facilitating greater understanding of the distinctive characteristics of Vietnamese CSOs. Greater knowledge and discussion of these dynamics will both help the CSOs to consider their individual activities in the wider context of civil society development and help those seeking to support the sector to do so more strategically. CSOs in Vietnam provide a great resource of energy and expertise that will be vital to assist the government in tackling the serious development challenges Vietnam faces in the 21st century.

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ANNEX: SURVEY METHODOLOGY

Scope of Research

The research targeted civil society organizations, VNGOs and CBOs (as defined in section 1) in Hanoi and Ho Chi Minh City. In each city, 50 NGOs/CBOs were selected to be surveyed and interviewed. The survey sought to select information on:

- Organizational structure, management and staffing
- Program focus and methods
- Engagement with other sectors (the state and businesses)
- Networking
- Funding
- Challenges and future directions

Sample selection

The project set up a research team in Hanoi and one in Ho Chi Minh City. Both teams were formed of lead researchers with considerable expertise on civil society in Vietnam supported by junior researchers.

Each research team compiled lists of NGOs and CBOs in their respective cities. As there is no single database of NGOs and CBOs the teams drew together multiple directories of NGOs and CBOs to obtain what they assessed to be a fair representation of NGOs and CBOs in Hanoi and Ho Chi Minh City.

Directories used included those of:

- The Asia Foundation (TAF),
- Vietnam Union of Science and Technology Associations (VUSTA),
- Southeast Asia Scientific and Technological Research Associations (SEARAV),
- The Union of Cooperatives,
- Hanoi and Ho Chi Minh City Departments of Science and Technologies,
- 2011 Catholic directory of social action in Ho Chi Minh city,
- Websites of several additional associations, universities and mass organizations.

To select a representative sample for interview the research teams stratified lists of social, science and technology organizations (from hereon VNGOs) in Hanoi and Ho Chi Minh City into 3 categories:

- (i) Centers,
- (ii) Institutes,
- (iii) CBOs, including clubs, societal groups, networks of professionals and persons having similar interests, needs, status

In total the research team identified 607 VNGOs in Hanoi (471 Centers, 121 Institutes and 15 CBOs/clubs/groups) and 223 VNGOs in Ho Chi Minh City (47 Centers, 15 Institutes and 161 CBOs/clubs/groups). The research team recognize this sample does not cover the full diversity of VNGOs in Hanoi and Ho Chi Minh City and also that the proportions between the different types of organizations may not be completely reflective of the true picture. For instance, while many CBOs/clubs/groups that exist in Hanoi are not listed here the research team assess that

there is a greater incidence of CBOs in Ho Chi Minh City and the proportions selected in the final sample are roughly approximate of the field.

Systematic random sampling was used to select 50 organizations in Hanoi and 50 for Ho Chi Minh City from three categories of organizations. The sample was adjusted to ensure sufficient data was collected on each category of organization while ensuring the sample reflected the research team's assessment of the balance of types of organization operating in each city.

Hanoi							
Categories	Total VNGOs in Hanoi	% of total VNGOs	Sample before adjustment		Adjusted final sample		
			Interviews	% of category for interview	As a % of total VNGOs	Interviews conducted	% of category interviewed
Centers	471	78%	39	8%	70%	35	7%
Institutes	121	20%	10	8%	20%	10	8%
CBOs, clubs, societal groups and networks	15	2%	1	7%	10%	5	33%
<i>Total</i>	<i>607</i>	<i>100%</i>	<i>50</i>	<i>n/a</i>	<i>100%</i>	<i>50</i>	<i>n/a</i>

Ho Chi Minh City							
Categories	Total VNGOs in Hanoi	% of total VNGOs	Sample before adjustment		Adjusted final sample		
			Interviews	% of category for interview	As a % of total VNGOs	Interviews conducted	% of category interviewed
Centers	47	21%	11	23%	26%	13	28%
Institutes	15	7%	3	20%	8%	4	27%
CBOs, clubs, societal groups and networks	161	72%	36	22%	66%	33	21%
<i>Total</i>	<i>223</i>	<i>100%</i>	<i>50</i>	<i>n/a</i>	<i>100%</i>	<i>50</i>	<i>n/a</i>

Interviews

100 questionnaire interviews were conducted. These were followed by 20 in-depth interviews in Hanoi and 17 in-depth interviews in HCMC to further explore issues raised by the questionnaire interviews. Some in-depth interviews were conducted immediately following the questionnaire interview. Others were conducted in a second interview. All interviews were conducted during November and December 2011.

Limitations and constraints

35 VNGOs in Hanoi and 18 VNGOs in HCMC were not able to be contacted or refused to answer the questionnaires because of a lack of interest or because they wanted to seek permission from their umbrella organization. Given the time constraints these organizations

were replaced by adjacently listed VNGOs. In HCMC, the research had intended to interview 5 institutes but only 4 were interviewed. The 5th institute was replaced by a CBO.

Some issues in the questionnaire were sensitive. Many interviewees were reluctant to answer those questions clearly and fully.



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