

Philanthropy in Vietnam



HANOI, 2011



The Asia Foundation



The “Philanthropy in Vietnam” research project was conducted by Vietnam Asia Pacific Economic Center, with funding support from The Asia Foundation. The research team comprised Dang Nguyen Anh, Le Kim Sa, Nghiem Thi Thuy, Nguyen Van Lang, and Phi Hai Nam.

Founded in 1993, Vietnam Asia Pacific Economic Center is a non-profit and non-governmental research and advocacy organization dedicating to promote economic and social development in Vietnam. The Center has regional offices in Da Nang and Ho Chi Minh City, with a donor office in Tokyo, Japan. It manages numerous national projects funded by the Vietnamese government and international donor agencies. The Center also publishes the Asia Pacific Economic Review.

The Asia Foundation is a non-profit, non-governmental organization committed to the development of a peaceful, prosperous, just, and open Asia-Pacific region. The Foundation supports Asian initiatives to improve governance, law, and civil society; women’s empowerment; economic reform and development; sustainable development and the environment; and international relations. Drawing on nearly 60 years of experience in Asia, the Foundation collaborates with private and public partners to support leadership and institutional development, exchanges, and policy research.



The Asia Foundation

#10-03 Prime Centre
53 Quang Trung Street
Hanoi, Vietnam

Tel: + 84 (4) 3943-3263
Fax: + 84 (4) 3943-3257
Email: tafvn@asiafound.org

www.asiafoundation.org



Vietnam Asia Pacific Economic Center
176 Thai Ha - Dong Da - Ha Noi

Phone: + 84 (4) 3857-4304
Fax: + 84 (4) 3857-4316

www.vapec.vn

Philanthropy in Vietnam

Vietnam Asia Pacific Economic Center - The Asia Foundation

Hanoi, 2011

FOREWORD

Philanthropic giving has a long history in Vietnam, and contributions of great individuals to the well being of their fellow countrymen are recognized in historical records and countless village temples throughout the country. In an agricultural-based and community-oriented society, in the past individuals gave to support the functioning of their communities and help others less fortunate than themselves through various institutions from village committees to temples/churches to clan associations.

In recent decades, philanthropic giving in Vietnam has primarily been galvanized through official channels or socio-political organizations such as the Fatherland Front, the Women's Union, the Farmers' Union, etc. Nevertheless, substantial individual giving has also been directed to alleviate the suffering of others particularly in times of disaster through the media, temples/churches, and regional associations. While individual giving is dominant, corporate giving is growing given the significant economic achievement of the past decade.

There is, however, no systematic research or report on giving patterns and trends, mechanisms through which people and companies give, and what motivate them to give in Vietnam. Given that Vietnam has reached the low middle income status in 2010, numerous international and bilateral donors are departing or have announced departure plans from Vietnam and to focus on more underdeveloped countries. Vietnam's ongoing transition and continued development face many challenges however, from an outdated education system to environmental degradation to the growing rural-urban divide. In this context, it is important to understand and to foster the capacity for philanthropic giving of individuals, organizations and businesses in Vietnam to support effective and sustainable community development initiatives.

Based on the above, The Asia Foundation supported the Vietnam Asia Pacific Economic Center to carry out an initial research aimed at establishing a broad baseline regarding the state of philanthropic giving and activities in Vietnam. Examining both individual and corporate giving, the research draws out what do people give to, why do they give, and how do they give in order to identify potential and options to improve philanthropic giving and activities in Vietnam, from a more conducive policy environment to a more professionalized philanthropic sector.

As this is one of the first research efforts to address the topic of philanthropy in Vietnam, it should be viewed as exploratory and to be built upon by additional research and discussions. We hope that you will find the research results interesting and useful.

Dr. Kim N. B. Ninh

Country Representative
The Asia Foundation

Dr. Dang Nguyen Anh

The Vietnam Asia Pacific Economic Center

CONTENTS

EXECUTIVE SUMMARY	1
INTRODUCTION	4
1. Research basis.....	4
2. Research objectives.....	5
3. Content and scope of the study	5
4. Methodology	6
RESULTS AND FINDINGS OF THE STUDY	8
1. Basic concepts.....	8
2. Philanthropy in Vietnam	9
3. Experimental study results.....	19
4. Summary of conclusions and some recommendations	31
ANNEX	
Annex A: Charity interviews	35
Annex B: Study of charitable capacity and charitable contributions.....	52
Annex C: List of references	54
FIGURE	
Figure 1: Information sources on charity.....	20
Figure 2: Participation in charitable activities in the past 12 months	21
Figure 3: Reasons for contributing to charity	23
Figure 4: Weaknesses in current charitable activities	24
Figure 5: Corporate participation in charitable activities in the two cities over the past 12 months.....	25
Figure 6: Reasons for businesses to do charity.....	28
Figure 7: Weaknesses in corporate charity activities	30
TABLE	
Table 1. Charitable contributions by households differentiated by channels for receiving those contributions	21
Table 2: Charitable contributions by businesses differentiated by channel for receiving those contributions	26

EXECUTIVE SUMMARY

Philanthropy is developing rapidly in Vietnam and promises to bring new development potential in the coming years. In a context of dramatic economic, societal and cultural change, key issues related to philanthropy need to be assessed, so as to ensure that it can make the most positive contribution to the future of Vietnam.

In the past few years, many individuals and enterprises have participated in charitable activities, but the data has not been collected. No statistics are available on the scale of philanthropy, there is no well-established definition of what counts as corporate social responsibility, or guidance on what process philanthropists should go through to select beneficiaries. There is also little knowledge of what incentives exist for enterprises to participate in philanthropic giving.

With funding from The Asia Foundation, the Vietnam Asia Pacific Economic Center of Hanoi conducted an initial research project on philanthropy in Vietnam. This sociological study deals with both individuals and businesses, with the goal of capturing a snapshot of the current state of philanthropic giving in the country, along with the motivations for and challenges of such activities.

The study conducted semi-structural questionnaires and in-depth interviews with 16 large corporations and 100 small enterprises in Hanoi and Ho Chi Minh City. The general population survey covered rural and urban areas in Hanoi and Ho Chi Minh City, as well as Thai Binh and Long An provinces. In total, 100 rural households and 100 urban households were interviewed. Following intensive sampling, the survey was conducted from May to September 2009.

Conclusions from the household survey

The research results show that people recognize the need for philanthropic giving in both urban and rural areas. The majority of surveyed households show a willingness to participate in charitable activities (73% of rural households and 51% of urban) and are aware of charitable issues (87% of rural households and 59% of urban). But there are exceptions. Where heads of households are young, they are often focused on business and are less interested in charitable activities.

People receive information on charitable activities through a variety of channels. In rural areas, community meetings and local mass organizations are the primary channels of information, while in urban areas people rely more on newspapers, television and the internet.

On average, households give the cash equivalent of 800,000 VND per year. Unofficial channels (community, pagoda, church and donations) consistently account for a higher percentage of giving than official channels (corporate organizations, funds for the poor etc.). In the 12 months before the survey was conducted, urban households made an average charitable contribution of 250,000 VND per year through official channels, and 680,000 VND through unofficial channels. Meanwhile, in the countryside, the average

household contributed less than 60,000 VND per year through official channels, but 574,000 VND through unofficial channels.

The potential for increasing contributions is high. Seventy-four percent of households in urban areas and 89% of households in rural areas indicated that their charitable contributions were low or modest. Ninety-four percent of rural households and 89% of urban households said that their contributions either did not affect or only affected in a minor way the household economy. Only 20% of respondents in urban areas and 15% in rural areas cited lack of resources as the primary impediment to their giving.

Motives for living are diverse. The main reason for charitable contributions or participation in charitable activities is the desire to share the difficulties of others and the satisfaction received. Following the example set by neighbors is also a significant factor, especially in the countryside. The survey results show that people are quite engaged in charitable activities (90% in the countryside and 65% in urban areas), and there is a strong willingness to contribute to philanthropic giving in the future (92% in rural areas and 61% in urban areas).

However, up to 20% of people in urban areas said that charitable activities are ineffective. Similar percentages said they were dissatisfied with the methods of giving currently available to them. Respondents identified a lack of transparency and trust. In addition, they also complained that donations sometimes do not reach those with the greatest needs.

Conclusions from the business survey

Business scale does affect philanthropic giving. Small enterprises actually participate in philanthropy more actively, and show more enthusiasm when discussing their charitable activities. Overall, 68% of businesses in Hanoi and 84% in Ho Chi Minh City said that they pay attention to charitable activities.

There are sharp differences in actual giving between the two cities, however. More businesses in Ho Chi Minh City carried out charitable activities compared to Hanoi, with the exception of support for the disabled. At the time of the survey, 66% of businesses in Ho Chi Minh City were participating in at least one charitable activity, compared with only 8% in Hanoi. This finding indicates that corporate social responsibility is not yet a common practice among businesses in Vietnam; even in the two biggest cities.

The scale of annual contributions was also very different between Ho Chi Minh City and Hanoi: businesses in Ho Chi Minh City gave more than 28 million VND/year, compared to 3.5 million VND/year in Hanoi. The marked difference in philanthropic giving between the two major cities reflects the higher dynamism of businesses in Ho Chi Minh City in advertising their brands and awareness of corporate social responsibility, as well as a longer term vision linking community development with the growth of the private sector.

The survey identifies great potential for increased business charity. Seventy-eight percent of businesses in Ho Chi Minh City and 66% in Hanoi said that their contributions were low or moderate compared to the conditions of their business. No business representative was of the opinion that their level of contribution was beyond the capacity of the business.

Corporate success and corporate leadership are key determinants of the charitable activities a business undertakes. In many businesses, funds allocated for charitable contributions are irregular, depending on the availability of budget and when charitable demands are made. Preferential policies such as tax exemptions play little or no role in decisions on charitable contributions in many businesses. When asked about tax concession for charitable activities, most business representatives were unclear about tax policies or doubtful that preferential treatment bring benefits to business and associated charitable activities.

Only 32% of businesses in Hanoi, compared with 56% of businesses in Ho Chi Minh City, say current charitable activities are effective. Twenty-eight percent of businesses in Ho Chi Minh City are not satisfied with the efficiency of charitable activities. Fifty-six percent of businesses in Hanoi did not reply to the question. Businesses in both cities complained about a lack of transparency, openness and confidence in the sector, as well as misidentification of targets and a failure to communicate sufficiently the need for charitable activities. Businesses in Ho Chi Minh are more likely to demand change than those in Hanoi, particularly in relation to greater openness and the development of more credible official channels for charity.

This work represents an initial research into a complex topic. It raises important issues which should be considered further in building a legal and operating environment supportive of increased philanthropic giving in Vietnam in the coming years.

INTRODUCTION

1. Research basis

The Vietnamese people have long been poor, but willing to share a bowl of cooked rice with others to help them in time of need. People practice charity not because of social trends but because of a spirit of community and sympathy for the situation of poor people. Proverbs encouraging charity such as *“Whole leaves wrap torn leaves,”* *“Love your neighbors as yourself”* and *“People from the same country should love one another”* have passed from one generation to the next, reminding everyone of their responsibility to the community.

The first policies aimed at encouraging philanthropy were implemented in the 15th century when King Le Thanh Tong implemented a system of tax reductions for rich people who helped the poor. Later, the Nguyen dynasty called for charitable contributions to help poor families suffering from crop losses. In addition to enjoying tax concessions, the actions of the philanthropists were recorded for posterity through monuments and posts granted by the feudal courts. The tradition of philanthropy in Vietnamese society has continued and evolved into a multitude of forms.

Over the past 25 years of renewal and development, Vietnam has opened up to foreign investment, international exchange and economic integration. Vietnam has joined the World Trade Organization (WTO). The “Doi Moi” (renewal) policy of the Vietnamese Communist Party and the State continues to attract foreign investment, bringing in business models from across the world, including models of corporate social responsibility. It is increasingly accepted that every business has responsibilities to those affected by their business. In particular, businesses have a responsibility to protect the natural environment.

While some brief mention of corporate philanthropy has appeared in the press and on some websites, it is still little known in Vietnam. We cannot yet establish whether corporate philanthropy is moving beyond being a simple slogan to becoming a broader social trend. The incentives for businesses to participate in philanthropic giving have not been analysed, and systematic statistics on the scale and scope of philanthropy are scant. Moreover, the criteria around what counts as corporate social responsibility and the processes necessary to select beneficiaries have not been sufficiently analyzed.

There remain a number of questions to be answered: What are the needs of individuals and businesses in philanthropic giving? What should be done to mobilize individuals and collectives to give effectively? What benefits has philanthropy brought to society? In recent years has there been a rise in apathy related to philanthropic giving? What are the motivations of individuals and businesses in philanthropy? Are philanthropic contributions voluntary and transparent? What are the biggest difficulties and obstacles to more effective philanthropy? What can be expected from businesses and individuals in the future given the current state of philanthropy? On the whole, insufficient attention has been paid to philanthropy in Vietnam.

This research deals with all the above-mentioned questions. It also studies the issues with a view to providing a better understanding of the characteristics and the nature of philanthropic giving, both by individuals and businesses. It aims to explore the potential philanthropic giving in analyzing the overall situation, and puts forward recommendations aimed at promoting the development of philanthropic giving in the future.

2. Research objectives

As the first-ever assessment of philanthropy in Vietnam, this study has the following objectives:

- Gather information and existing studies on philanthropic giving;
- Assess the needs, methods, scale and channels of philanthropic giving;
- Identify the weaknesses and challenges of current giving practices;
- Provide policy recommendations to strengthen philanthropic giving, both in the business community and general population.

3. Content and scope of the study

This sociological study emphasizes the participation, consultation and consensus among those participating in giving, with a focus on the two primary groups, businesses and individuals, both in rural and urban areas. In order to advance our understanding of the current and future role of philanthropy in Vietnam, the study group began by collecting available information and materials to assess the situation. The main activities of the study were:

- Collect and assess available data and research materials on philanthropy in Vietnam;
- Analyze current policies related to philanthropic giving and fund raising in Vietnam. Identifying the advantages, disadvantages and weaknesses of current regulations;
- Conduct a sociological survey on the need for philanthropic giving from business and the general populace in four areas: Hanoi, Ho Chi Minh City, Thai Binh and Long An provinces. These sample areas allow us to consider the difference between rural and urban areas, and between the two biggest cities in the country; and
- Put forward policy recommendations aimed at improving the quality of philanthropic giving, with a view to promoting awareness and understanding of this topic and building an enabling policy environment for philanthropy in Vietnam.

Since there are many groups participating in philanthropy, the research team focused on the two main forms of philanthropy which account for the largest proportion of philanthropic giving in Vietnam, namely individual and corporate giving. Other forms of philanthropy, such as organ donations and giving by foreign individuals and international organizations, are not addressed by this study.

4. Methodology

To collect data, the research team combined direct interviews with individuals and businesses, and analyzed secondary data from the domestic press. The research team undertook the following five steps:

Activity 1: Determining the study subjects

First, a list of businesses participating in philanthropy in Hanoi and Ho Chi Minh City was compiled. The research team used introductions from philanthropic activists in businesses to get interviews. Special thanks are due to the Saigon Times Corporation, which organized the awards for 40 leading businesses, through which the research team accessed some well-known businesses with strong corporate social responsibility activities. The individuals who provided information to the research were diverse, ranging from managing and deputy managing directors, to heads of business departments, to staff working in public relations and human resources. In total, the study group conducted in-depth interviews with 16 big corporations (listed in Part II) and 100 small enterprises in the two main cities.

For the general population, the survey covered rural and urban areas in the two cities of Hanoi and Ho Chi Minh City and the two provinces of Thai Binh and Long An. In total, 100 households in rural areas and 100 households in urban areas were interviewed. Systematic sampling was applied to ensure the representativeness of the samples. People were interviewed, who were primarily heads of households, to evaluate their desire and capacity for philanthropic giving, their level of philanthropic contribution, their commitment to philanthropic giving, and how philanthropy in the community was developing.

Activity 2: Building the research instrument

The research team consulted with sociology experts in generating two semi-structured questionnaires (see Annex A). This survey tool was used to interview corporations and households chosen through sampling. The questionnaire focused on the interests of the interviewees and was relatively short given the rather personal nature of the topic of philanthropic giving. The questionnaires were piloted and adjusted before official being used in the fieldwork.

In addition to the survey questionnaires, the survey tools also included in-depth interview guidelines for corporations accepting interviews (see Annex B). The combination of quantitative and qualitative data helps to provide a more comprehensive explanation of the results.

Activity 3: Preliminary study

Although participation in this study was voluntary, many corporations on our list declined to participate, citing a lack of time or fit for the study. The study group tried to select corporations working in different fields, interviewing 12 domestic and 4 foreign corporations who voluntarily participated in the study.

The scale of corporations is relevant to their philanthropic work. Compared to big corporations, small corporations (mainly private and joint-stock companies) participated in philanthropic work more actively and were more open in discussing this topic. This suggests that corporate philanthropy still does not have a strong hold within Vietnamese society, even in the big cities.

Approaching individuals was easier. Most households were happy to be interviewed, and the refusal rate was very small. People tended to be less cautious than businesses, with straightforward and constructive comments on current weaknesses and shortcomings regarding the policy and social environment for philanthropy. The rural and urban samples reflected different perceptions, awareness, attitudes and views of the public regarding motives, methods and expected results from philanthropic activities and philanthropic contributions.

All surveys were conducted between late May and September 2009, followed by data processing and information encoding. Interviews of households took from 30 to 45 minutes, while in-depth interviews took from 60 to 75 minutes. The discussion interviews with businesses and households were directly conducted by the research team to ensure quality, accountability and accuracy of information.

Activity 4: Statistical and data analysis

From the first quarter of 2009, the research team collected and analyzed materials including writings, scientific reports, news collected from magazines and newspapers, and documents advertising philanthropic activities in Vietnam. The reference documents used in this report are listed in Annex C.

After key information from the fieldwork study was encoded, uploaded and processed using SPSS15 software, the research team analyzed the data and drafted the report. The study results drawn from the primary and secondary data were analyzed on the basis of study questions and issues (see Part III) to form the basic content of this report.

Activity 5: Discussion of study results

Based on collected data, the Vietnam Asia Pacific Economic Center of Hanoi organized a workshop in March 2010 to present the initial analysis of the study to a group of relevant experts and scientists. The workshop was chaired by the leaders of the Vietnam Asia Pacific Economic Center of Hanoi.

The workshop substantiated the importance of the research and data gathered. Workshop participants helped to provide the research team with additional reference materials on corporate philanthropy for the team to consult, and emphasized that the research should provide some assessments on the future development trends of philanthropy in Vietnam, for the next ten to twenty years.

RESULTS AND FINDINGS OF THE STUDY

1. Basic concepts

“Philanthropy” originates from the Latin word “caritas,” which means infinite love and kind treatment for others without having to be rewarded. Philanthropy also means “decency”, a humanitarian act by individuals or organizations to help those in need to overcome immediate difficulties. Philanthropic activities play an important role in development, creating opportunities and conditions for improving the quality of life of the disadvantaged. An individual or household can potentially escape difficult circumstances if they receive effective assistance. This then provides society with a broader base for development.

Philanthropy is voluntary and non-profitable. This helps distinguish philanthropy from other forms of humanitarian assistance, such as sponsorship, social safety net, social work and social policy. Philanthropic organizations come in various forms, including individuals who participate in philanthropic practice but do not belong to philanthropic organizations. They may simply be a few people with a similar sense of philanthropic purpose on the basis of faith or patronage for the disadvantaged. The range of issues engaging philanthropic organizations and activities are broad, including hunger eradication; poverty alleviation; disaster relief; aid to children; assistance for the disabled, the elderly and victims of sexual abuse and violence; media and public mobilization campaigns; and volunteering work in education and training work related to culture, the arts, and the environment.

Philanthropic organizations are established for philanthropic purposes, have a registered legal status, and operate independently. Many philanthropic organizations are registered as non-governmental organizations (NGO). Philanthropic organizations are not permitted to have political objectives or lobby like educational and social organizations. After their legal status is registered, philanthropic organizations must strictly comply with regulations. They must have internal regulations for members, bank accounts, and policies of finance and management. If a philanthropic organization is registered as a company, it must also comply with the business law. This is the situation that creates much confusion among businesses who engage in philanthropy.

Along with the concept of a philanthropic organization, there is also the non-profit organization (NPO). The term non-profit is attached to an activity or an organization to denote that its goal is not to seek material gains. With their intermediary role, most philanthropic organizations fund raise based on the non-profit principle. However, not every philanthropic organization is a non-profit one. For example, the activities of social policy banks are aimed at assisting poor families, but they still maintain lending interest rates and market activities for profit. Reality also shows that a number of so-called philanthropic organizations actually do take profit or other materials gains, thereby eroding the public trust. As such, philanthropy and non-profit are two terms which are not necessarily interchangeable.

2. Philanthropy in Vietnam

Writing in the *Forum of South East Asian Research* in 1996, Professor Mark Sidel identified a “new philanthropic trend” in Vietnam, in which he recognized increases in long-term investment as a factor in encouraging corporations to participate in philanthropic activities. Although philanthropic activities in the 1990s were weak and social and business participation still limited, the author warned that it was necessary to put forth policies to promote corporate philanthropy as a voluntary activity within Vietnamese society.

Nowadays it is difficult to list all the organizations carrying out philanthropic activities in Vietnam, including domestic and foreign corporations, business associations, governmental and international organizations, and the media. Many aid organizations operate very effectively, but information on aid recipients is still limited. It is not surprising, therefore, that a number of international organizations choose to work through professional organizations when they want to give in Vietnam, in a bid to ensure that their assistance will reach the right beneficiaries.

2.1 People's philanthropy

Sharing one's resources to help those in need is a communal act, long acknowledged by popular Vietnamese sayings such as “Whole leaves wrap torn leaves” or “Less torn leaves wrap more torn leaves.” Although there have been efforts to step up philanthropy and associated activities in the past, particularly during war time, charitable activities by the general population were not significant before Doi Moi. Currently, philanthropic contributions come from a variety of different sources. Many organizations, including social groups, sports and art groups, service organizations and groups of individuals with similar concerns, participate in philanthropic activities.

Anyone who reads newspapers or watches television is familiar with the growing number of fund-raising and voluntary philanthropic activities. Exhibition sport and entertainment events held to fundraise for charitable purposes have become increasingly known to television audiences. Expo and art exhibitions for charity fundraising have become common. Famous people including sport stars, actors, singers and musicians participate in fundraising events in larger numbers. These events often focus on supporting school constructions or scholarships for disadvantaged children. The female singer My Tam, through the My Tam Fund, has organized a variety of charitable music nights to fundraise for poor, handicapped and orphaned children. Images of stars visiting the poor and areas affected by natural disaster, helping fundraising for a humanitarian cause, or fulfilling the dreams of disadvantaged children, have increased in recent years.

Relief campaigns to assist people affected by floods, typhoons and disasters have become common. Gathering cash and ‘in kind’ assistance such as food, clothes and medicines after natural calamities and other disasters in the country are now frequent. There is also much support for work with HIV-affected children and children subjected to physical violence and exploitation. Philanthropic activities have taken place in various forms and at different scales, in many cases starting from the smallest things. For example, the charity model of the rice soup pot of Quang Ngai Province, which provides modest

daily meals to relatives of the patients in the provincial mental hospitals, is implemented by the Buddhist groups of the Tinh That Ngoc Nghia sect. Here is another example of philanthropic giving, as noted in the newspaper *Thanh Nien*.

Having won five first prize lottery tickets, an elderly man Mr. Nguyen Van H. (residing in Section 5, Ward 5, District 11, HCM City) began to do philanthropic work and repay those who have helped him. Mr. H. asked Mr. L, a kind-hearted neighbor to keep 350 million VND for him (he has 5 billion VND under his name at the bank) to deduct part of the amount to donate to three pagodas (totaling 55 million VND) which have assisted him in the past. Mr. H. hired a taxi and invited a number of his neighbors to go along to witness the date he called “the date of repayment”. Mr. H. also bought 35 rations of rice (20 kg/per ration) to donate to people at Lane 341 where he lives (*Thanh Nien Daily*, 24 February 2010).

Charitable activities in the time of open market, however, can also be estranged from their laudable meaning. After the catastrophic collapse of the Can Tho Bridge, many rushed to assist the families of the victims. Most of them came, handed over gifts, took photographs and went away. A series of agencies competed in the mass media to announce assistance worth billions of VND to the victims. How the assistance was received, and how useful the relief money was, were not mentioned subsequently. In fact, the media is wrong to publish only the pictures of big donors and their large donations, when genuine philanthropy cannot be measured simply by the amount of money. It is difficult to compare the kindness of a child who saved 1,000 VND from skipping breakfast with hundreds of millions of VND donated by a well-known organization to give to the same people who are in need. The modes and motives for philanthropy are no less important than the transparent use of charity money obtained.

Vietnamese society has a high degree of volunteering and awareness for mutual support. Arousing the public’s charitable sentiment has advantages, but it also needs to be assessed by society. Although people and the social community are willing to extend their arms to assist the poor and people in especially difficult conditions, philanthropic activities should be more open and transparent. Such information as the amounts of revenues and expenditures, what are the goods and cash being sent to where, and whom should be made public. The concern is that in the recent period, money and donations have been misappropriated or misused by some individuals and intermediary organizations. There is a danger that people and businesses may lose confidence in and support for charity organizations or local authorities to help those in need. What will happen if peoples’ trust in philanthropic activities is broken? It is time to establish an effective monitoring mechanism of charitable contributions, in an attempt to ensure transparency, rationality and equality.

Vietnam is in need of professional and effective charity organizations capable of assessing the losses and needs of people in disaster-affected areas. This is particularly necessary because Vietnam is often faced with natural disasters. If credible charitable organizations are to be established, then the State, rather than taking on the task itself, should focus on providing the enabling conditions for more effective philanthropy. Philanthropy is not

simply handing over a few boxes of noodles to the poor in a time of misfortune. It is time to consider ways in which those unfortunate individuals, rather than receiving only a box of noodles, can have the direction or the opportunity to change their very own future. This process needs to be fully researched and analyzed and requires immediate policy and legal considerations.

Hamlet and village cadres “squeezed” relief money of flood-affected people

Following letters of denunciation, the Inspector of Tuy An District (Phu Yen Province) discovered cadres of many hamlets made use of their positions to distribute relief goods to their own families and relatives and “squeeze” the money for victims who suffered losses in the historic flood of November 2009. Of 200 rations donated by singer My Tam (each worth 1.5 million VND, 1 million in cash and 500,000 VND in kind), the village cadres and heads and deputy heads of Phu Tan 1, Phu Tan 2 and Hoa Thanh Hamlets (An Cu Village) distributed 29 rations (4 to village cadres, 17 to hamlet cadres and 8 to relatives) to themselves and their relatives. Phu Tan 2 Hamlet alone handed over 13 out of 40 rations to the wrong targets.

The investigation discovered that the children, wives and parents of the hamlet and village cadres who received gifts from singer My Tam were also included in the list of gift receivers from the Vietnam Fatherland Front in Vinh Long Province. This totaled seven rations, each including 500,000 VND in cash, a carton of noodle and clothing.

In addition, the Inspector of Tuy An District found that the list for distribution of cash gifts of 100,000 VND and above included the names of wives and relatives of cadres. These included 5 from the family of Mr. Pham S. Deputy Head of Phu Tan 2 Hamlet, 3 from Mr. Tran T. Head of Phu Tan 2 Hamlet and four from Mr. Nguyen Van T. Chairman of Vietnam Fatherland Front of An Cu Village.

Vice President of the People’s Committee of An Cu Village, Mr. Pham Van C. made use of his position to set up a list of his relatives including his mother, father, brothers, brothers and sisters-in law to receive gifts from singer My Tam. In addition to that, Mr. C. in his capacity as Head of the Distribution Committee for Relief Goods after the flood and in charge of the rice store to help the starving, gave the key of the store to a member of his staff, Mr. Nguyen Thai H. to open the store, take away 60 kg of rice and give it to his brother-in-law, Mr. Le Trong T.

Deputy Head of Phu Tan 2 Hamlet, Mr. Pham S. set up a list for his son, Pham Van T. who is single and lives with his parents, to receive a gift from the Vietnam Fatherland Front of Vinh Long Province; and for Mr. S. wife, Mrs. Vo Thi M. to receive a gift from singer My Tam. Mr. S. is brother of Mr. Pham Van C. Vice Chairman of the People’s Committee of An Cu Village.

The Chairman of the Vietnam Fatherland Front of An Cu Village, Mr. Nguyen Van T. as well as having his family receive four gifts in cash worth more than 100,000 VND each, set up a list for his wife to receive two further gifts from singer My Tam and the Vietnam Fatherland Front of Vinh Long Province.

These self-interested acts of hamlet and village cadres in An Cu Village led to discontent among local people. The People's Committee decided to sack the Heads and Deputy Heads of Hoa Thanh and Phu Tan 2 Hamlets. They investigated and took back the gifts from those who shouldn't have received them. The Committee also considered disciplining the Deputy Chairman of the Village People's Committee Pham Van C. and the Village Vietnam Fatherland Front Nguyen Van T.

(DanTri Online, 11 February 2010)

2.2 Corporate philanthropy

Philanthropy associated with brand building is a worldwide trend, but this activity has not attracted much attention in Vietnam. If implemented effectively, efforts stemming from social empathy can bring numerous benefits to businesses. Although many corporations have yet to understand this fully, they are beginning to pay more attention to philanthropic activities. Concerning corporate philanthropy in Vietnam, it is estimated that about 40% of the companies did so for solely philanthropic purposes, 40% for marketing, and 20% for both. Since the end of the 1990s, businesses have made philanthropic contributions in a variety of forms, including restoration of historical relics, temples, promotion of educational activities, medical care and infrastructure.

The philanthropic activities of many Vietnamese businesses depend greatly on their owners' personal perceptions. Some do charity because of their religious faith, others because of empathy, but the most important reason is the sense of obligation to the community as a social commitment. Philanthropy linked to branding is no longer new to Vietnamese businesses. While philanthropy does not generate direct income, it can help businesses establish connections with new customers. More corporations are aware of the benefits of philanthropy in business development. Many companies, although small in size, have been effective in using philanthropic giving to help alleviate suffering in society.

Recent trends indicate an increase in the number of corporate philanthropic activities across the world, including Vietnam. Corporations not only compete on price and quality of products. Globalization and economic integration means social corporate responsibility is of strategic importance to every company. Corporate philanthropy is referred to not only as "the right thing to do" but also as "the wise thing to do". Corporate donation can be in the form of cash, products, sponsorship programs and contributions time and skills of staff. These philanthropic activities help to link corporations to the communities they serve.

To overcome the consequences of the Ketsana storm that hit Vietnam in late September 2009, the Sabego corporation raised 470 million VND worth of funds from its staff and clients to assist the storm-affected victims and their families in Kontum, Quang Ngai, Quang Binh, Quang Tri, Thua Thien Hue provinces and Da Nang City. The Tuoi Tre Daily which organized an aid campaign for the victims managed this aid fund. (Tuoi Tre, October 15, 2009.)

Fundraising for disaster relief is a practical activity that has taken place over the centuries in Vietnam and has become popular for businesses and their staff. Businesses not only make philanthropic contributions but also organize fundraising. In many cases, the fundraising is initiated by the staff with the corporations contributing extra money to these funds. This money is then transferred to the victims directly or through relevant organizations such as the Red Cross, the Fatherland Front and Save the Children.

VINAMILK's "Fresh milk for rising Vietnam" Fund

As one of the leading corporations in community assistance in recent years, Vinamilk has participated in a series of social philanthropic activities including: donating billions of VND to people suffering the consequences of floods in the Central provinces; taking care of Vietnamese heroic mothers in Ben Tre Province; assisting poor patients through the Poor Patients Patronage Association; coordinating with the Ministry of Education and Training to establish the Vinamilk Scholarship Fund for talented young Vietnamese; supporting primary school children across the whole country over the past seven years; and handing out over 25,000 scholarships to outstanding school children worth up to 14 billion VND.

In addition, Vinamilk also initiated, together with Vietnam Save the Children, the milk fund for "Rising Vietnam" providing "one million glasses of milk for poor Vietnamese children". The objective of the program was to help poor children who were affected by especially difficult conditions such as malnourishment and disabilities. These activities contributed to a reduction in the malnutrition rate for children, changing the physical outcomes for a new generation.

The height of children in Vietnam is less than the regional and world average. That is why Vinamilk established a fund for one million glasses of milk, then three million, then 6 million, and now called "Rising Vietnam" with the target of 8 million glasses of milk. The aim is that beneficiaries of the program drink milk every day to make future Vietnamese generations taller and of higher intelligence; for Vietnam to rise to the same height as other people in the region and the world.

In general, businesses regard cash contributions to fundraising as the best way to tackle social problems. Voluntary activities or gifts are secondary. In many philanthropic activities, however, the detailed purpose of the money fundraised is often not clear. Few reports containing detailed information are available to the public. For example, the "Walking for the Poor" event on 15 November 2008 organized by the Fatherland Front in Ho Chi Minh City and sponsored by many big corporations, attracted over 10,000 participants and raised over 6 billion VND. While the participants were informed that the money would be used to aid "the poor in the poorest communes (especially the 20 poorest villages and wards)," there was no detail on how the money would be transferred to the poor, how it would be used, what were the selection criteria for beneficiaries, and how many people would actually receive aid. This lack of information is a limitation of corporate philanthropy and is related to the policy and legal environment for philanthropy.

2.3 Policy environment for corporate philanthropy

Corporate philanthropy and initiatives for the community depend on the development of the legal environment, as well as awareness of philanthropy among businesses. Over recent years, several solutions have been recommended to encourage corporate philanthropy. In addition, the media often positively highlight corporate philanthropy, which is a good sign for its future development.

Tax policy potentially has a great influence on corporate philanthropy. Before the Corporate Income Tax Law was issued in 2008, businesses were only able to deduct philanthropic contributions from “specialized public education and vocational projects”. However, the amended Corporate Income Tax Law created more favorable conditions for philanthropic activities by increasing tax exemptions and tax preferences. More specifically:

- Incomes enjoying exemption from tax include funds allocated for educational, scientific, cultural, art, philanthropic and humanitarian research and other social activities (the Corporate Tax Income Law, article 4, paragraph 7). Circular No 130 stipulates that the subjects of this aid must set up organizations managed in accordance with legal regulations. If funds are misused, entities will be requested to pay business income tax at a rate of 25% of the misused funds.
- Tax preferences are applied to businesses hiring the disabled, the hearing and visually impaired, former drug addicts, and those with HIV/AIDS (Corporate Tax Income Law – Article 4, paragraph 4).
- Tax exemptions are also applied to incomes from vocational activities for ethnic minority people, the disabled, former addicts, and children in extremely disadvantaged circumstances (Corporate Tax Income Law, Article 4, paragraph 5). If an establishment also provides job training for other categories of people, tax-exempt income is determined based on the ratio between the two groups (Circular No 130).
- Related to deductible expenses, the Law on Corporate Income Tax states that “Items providing financial support for education, healthcare, disaster relief, and construction of charitable homes for poor people are deductible expenses” (Law on Corporate Income Tax – Article 9, paragraph 2). The implementing guidelines of the same law further clarify deductible expenses as including:

Donations/gifts for schools in the national education system including financial assistance for equipment, instruments for teaching and learning, and other regular school activities.

Donations/gifts for competitions on subjects taught at schools and/or study promotion funds.

Donations/gifts for healthcare establishments set up under the health law including aid for medical equipments and medicines, and for the regular activities of hospitals and health centers.

Cash contributions to patients through organizations that are permitted to raise charitable funds.

Cash or in-kind donations that are paid directly to beneficiaries, or through permitted organizations, for natural disaster relief.

Contributions to build houses for the poor paid for in cash or in kind directly to the recipients or through permitted organizations.

Charitable contributions by law must be provided directly to recipients (e.g. scholarships for poor students), and only philanthropic funds are legally permitted to raise funds and implement aid programs. However, this becomes a problem when the activities of some funds are not transparent, effective or reaching the intended beneficiaries. As such, individuals and corporations often hesitate to delegate philanthropic aid to these organizations because of the “commissions” they charge.

As is the case with individual and corporate giving, organizations raising funds for philanthropic purposes cannot build their reputation on exploiting the image of the poor and the lives of the disadvantaged. If funds are used unethically, misappropriated or wasted, then the capacity to give, and the trust of the community, will be undermined and society will be negatively affected. Given Vietnam’s rapid development, the policy and legal environment around philanthropic activities needs to be refined and improved.

2.4 Continued improvement in transparency, responsibility and effectiveness of philanthropic activities

In early 2010, a story on “*Donating outdated instant flour: doing philanthropy or littering?*” circulated widely in the press. The Vietnam Central Red Cross had donated 3,000 expired packs of instant flour to handicapped children. These Agusa brands of instant flour packs were given by a company to the students of a school for hearing impaired children in Nhan Chinh Ward, Thanh Xuan District, Hanoi.

The joy at receiving the donation quickly turned to worry for the parents, pupils and school staff because the flour packs’ usage date has expired for some four months. Many instant flour packs were mildewed and could not be used. The school immediately recalled the product, but some parents had already fed it to their children. The school was slow to realize the instant flour was out of date because the actual expiry date was covered by a new expiry date pasted over before the packs were sent to the school. Because the school trusted the Vietnam Red Cross, it distributed the powder to its pupils quickly.

Parents and the general public went through a cycle of emotions: sadness, humiliation, frustration and anger. The deliberate covering of the original expiry date of products (by sticking a piece of white paper with a computer-typed inscription in Vietnamese prolonging the date of expiry of the product by nearly four months) violated the law. The 3,000 packs of instant flour should have been collected and disposed of by the enterprise. Instead, this enterprise despatched them as humanitarian gifts with a view to saving money on disposal.

This heartless act deepens the vulnerability of the recipients. The company deliberately fooled the recipients, but it was not censured, thus undermining the philanthropic environment.

Trifling with the poor mercilessly

The charity auction “Festival Night of Miss Earth and Businessmen to assist the Central Region” on the night of 11 October 2010 in Ho Chi Minh City left a bitter taste. Four top items were brought in for auction; four supernatural creatures (starting price 40 billion VND), a picture made of precious stone with the signatures of the 90 candidates of the 2010 Miss Earth Pageant (90 million VND), a ruby weighing 10 kg (4 billion VND), and a bronze drum (6 billion VND).

Mr. Pham Van D. Director of Bao Long Company Limited, paid 47.9 billion VND for the four supernatural creatures. A man named Thanh B. won the auction for the precious stone-made picture, paying 3 billion VND. Mr. P. said to have come from the Binh Dien Company (Long An Province), paid 11 billion VND for the ruby. And the bronze drum went to Mr. Luong Duc H. paying 12 billion VND. In the end, however, none of the items were handed over to the winning bidders announced.

Mrs. Nguyen Thi H. Chairwoman of the Red Cross Society of Ho Chi Minh City, which organized the program, revealed that the Society contacted the bronze drum winner but no one picked up the phone. When the Society called Binh Dien Company, the Company said it did not participate in the auction of the ruby. Nobody picked up the precious stone picture, and Mr. Pham Van D. declined to buy the four supernatural creatures. Two weeks after the auction, the estimated 74 billion VND proceeds that the charity had expected to obtain remained an invisible figure.

Mrs. Nguyen Thi H. said: *“Their acts are so inhuman. They are playing with the hopes of people in flood-affected areas, making a joke of the enthusiasm of the organizers. I am very sad and feel offended since the countrymen in the Central Region are waiting with great hope and had put their trust in this auction night.*

(Vietnamnet, 24 November 2010.)

Meanwhile, the current regulations for philanthropic activities and fundraising are out of touch with reality. In May 2008, the Government issued Directive 64 on galvanizing, receiving, distributing and using voluntary contributions to assist people affected by natural and other major disasters. The Decree stipulates: *“After receiving the cash contribution, the mass media must transfer the whole amount into the bank account of the Relief Committee of the Vietnam Fatherland Front as the owner of the account.”* As a result, the Fatherland Front has become the contact point for distributing relief money and goods to disaster affected localities through the network of the Relief Committees. According to the regulation, the mass media are no longer allowed to directly distribute relief money and goods to localities, as they had done previously.

Decree 64 stipulates:

When natural disasters, fire and serious accidents happen, causing great losses in human life, property and means of production, depending on the level and scale of losses, the Presidium of the Central Committee of the Fatherland Front or President of the Fatherland

Front at the provincial and district levels may organize an appeal for individuals and organizations to contribute relief money and goods. On that basis, the mass media should respond to the appeal by the Fatherland Front at different levels and are permitted to campaign for contributions to the disaster response effort. (Item 1 and 4, Clause 4, Directive 64).

The Relief Committee at each level is headed by the leader of the Fatherland Front at that level. The composition of the Committee is decided by the committee head but must consist of representatives of the Red Cross; the Ministry of Labor, War Invalids and Social Affairs; the steering committee on fighting floods and storms; the agriculture and rural development units; healthcare unit; and the finance unit of the corresponding level. The local level steering committee to fight floods and storms must include representation from the Office of the People's Committee (Point a, Item 2, Clause 6, Decree 64).

Circular 72/2008/TT-BTC guiding implementation of Decree 64 stipulates that “The mass media are permitted to receive relief money and goods donated by organizations and individuals; cannot distribute the contributions to localities and individuals; must transfer the contributions to relief committees of the same level.”

These regulations have had a considerable impact on the individuals that regularly contribute to support disaster victims. According to the regulations, the contributions to the mass media must be transferred to the Relief Committee of the Fatherland Front, which means that people do not know the specific amount of the contribution, for whom and where. Those who give cannot go and verify directly how money and goods collected are delivered to those in need. It is precisely because people want their money to go directly to people suffering misfortune that they are more sympathetic when the mass media appeals for relief contributions.

There are two primary difficulties in applying Decree 64. First, donors tend to want to bring gifts directly to the victims, but they cannot. Secondly, when disasters and catastrophes occur unexpectedly, calls for relief and establishment of relief committees are not quick enough. Relief contributions must be stored before being distributed, and this process takes times and cannot assist affected people immediately. There is no evidence that the Fatherland Front can do relief work more quickly than the press and mass media. There are also a series of loopholes that can lead to losses and “squeezing” of the relief money by various levels of administration before it reaches recipients. If donations in cash or in kind are misused or distributed outside the target group, it rapidly undermines trust and causes frustration.

Relief is not counting money

The Nghe An Red Cross Association's handling of donations to people affected by serious floods has led to a recent outcry. Donated clothes were found to have been used for cleaning cars in a local garage. This is a shameful act. However, this is not unique and is representative of the unprofessional state of current disaster relief work.

On 14 May 2008, the Government issued Decree 64 on “campaigns, collection, distribution and use of voluntary relief contributions to assist people to overcome difficulties caused by disasters, fires, serious accidents and patients suffering terminal illnesses.”

On 31 July 2008, the Ministry of Finance promulgated Circular 72 providing further detail on implementation of Decree 64. The regulations are mainly aimed at managing relief and goods, and concentrating such activities through the Red Cross Society and Vietnam Fatherland Front.

The two appointed agencies wrote excited reports on the quantity of relief money and goods they received. However, those reports were mainly reporting achievements in the context of mass and social organizations asserting themselves through philanthropic activities. The reality as to whether relief money and goods reached the needy is not addressed. Recently, many organizations and individuals found ways to organize relief work by themselves.

Those who have directly participated in relief understand that disaster relief work is difficult and complicated. No agency or organization, however big, can manage it on its own. The whole of society has to participate to achieve success. Those who participate directly in the relief work do not need agencies to control their kind-heartedness.

What is needed is information; on the affected localities, responsible persons in those areas and up-to-date information on the relief situation. With full and exact information, relief teams can plan where they go to increase efficiency and not undermine the activities of local authorities. It is similar to introducing tour routes and tour sites.

Unfortunately, such information for society to assist in relief cannot be found anywhere, including on local websites, while relief and rescue activities still consume much of the state budget. The two agencies assigned to receive and distribute relief goods also lack such information. In this context, relief activities often take place in an uncoordinated way. And as such, it happens that occasionally activities move against each other, cancelling out each other's efforts.

In short, relief work is not only campaigning for relief. More importantly (if not most importantly), it is bringing relief money and goods to people in need. Relief work is not counting money and searching for goods.

(Tienphong Online, 8 November 2010)

Methods of charity and relief donation have not been discussed sufficiently. Philanthropy requires willingness, a kind heart, a non-profit motive and credibility in society. Self-interest is toxic for relief activities in particular and philanthropic activities in general. Taking a ‘commission’, whether for the organization or as an individual, when handling relief goods undermines the spirit of philanthropy.

Vietnamese people respond strongly to philanthropic activities. Awakened human compassion in the wider community is vital. Administrative orders that restrict that involvement undermines the mobilization of the people's resources, and does not help

the Government and Fatherland Front reduce the burden of providing relief following disasters, diseases and natural catastrophes.

3. Experimental study results

Coupled with research activities and policy assessments, the research team also conducted a sociological survey in a number of provinces and cities. Two principal groups, businesses and individuals in both rural and urban areas, were targeted. The survey was aimed at understanding more clearly the current and future roles of charitable activities in Vietnam against the backdrop of market economic development and globalization. The main conclusions of the survey are detailed below.

3.1 Charitable activities by individuals

As described in the first part of the report, the community survey was conducted in four provinces and cities: Hanoi, Ho Chi Minh City, Thai Binh and Long An. These localities have large populations and take the lead in socio-economic development. To facilitate analysis and ensure statistical credibility with a relatively small sample, the survey results were processed for both rural (Thai Binh and Long An) and urban areas (Hanoi and Ho Chi Minh City).

Two hundred households were surveyed. Seven percent of the households were wealthy, 76% average and 17% poor. The annual income per capita of the households in the urban area sample was double that of the households in the rural area (27.9 million VND, compared to 14.3 million VND). The results reflect an imbalance of economic level and living standards in the two areas.

3.1.1 People's need for charity

In the 12 months before the survey, very few households received any charitable support. Regular and close support took place only in 4% of the households. The households seldom received any support from the various levels of government administration and mass organizations (local level and above), reflecting the limits of current social welfare.

The need to do business, increase income and stabilize life comes top in the chain of needs for households in the survey. There was no differentiation between rural and urban areas. This was followed by the need for education and healthcare. These areas accounted for a considerable percentage compared with other needs, such as birth, marriage, and job seeking.

When asked about the need for humanitarian charity, numerous households in the survey said they had this need (73% of the rural households and 51% of the urban households). The results show that awareness of charitable activities is relatively high. Eight percent of households in the rural area and 59% in the urban area said they paid attention to charitable activities. The heads of these households are generally older (over 45). The young households generally focus on doing business and are less concerned with social activities, including humanitarian charity.

Information on charitable activities and contributions reach people through various channels depending on where they live. In rural areas, community meetings and local mass organizations are the primary information channels. In urban areas, people tend to find out about these activities through loudspeakers, newspapers, television and particularly the internet. In the countryside and towns, families and relatives are not a primary source of information on charity. Philanthropy and related activities are generally not featured at the community level, whether through leaflets, posters, or by being on the agenda at community meetings (Figure 1). The results show how necessary it is to increase and diversify the channels for disseminating information on charities.

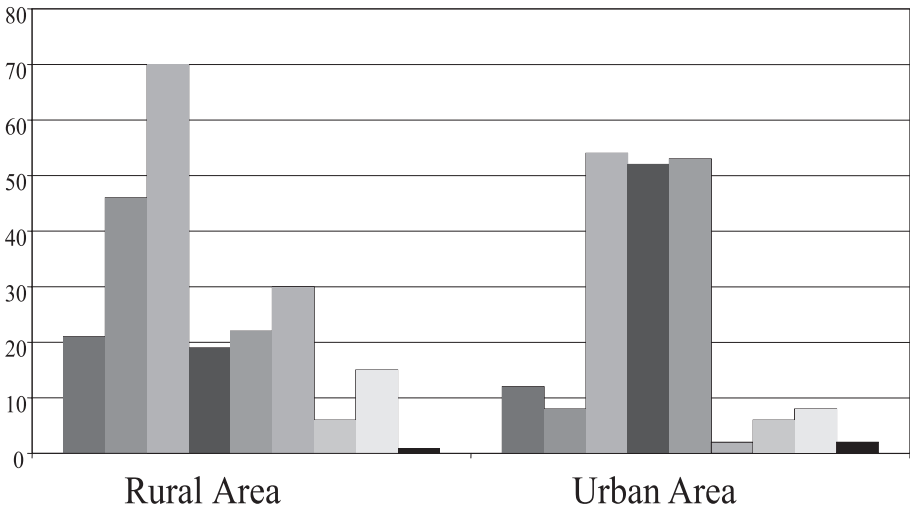


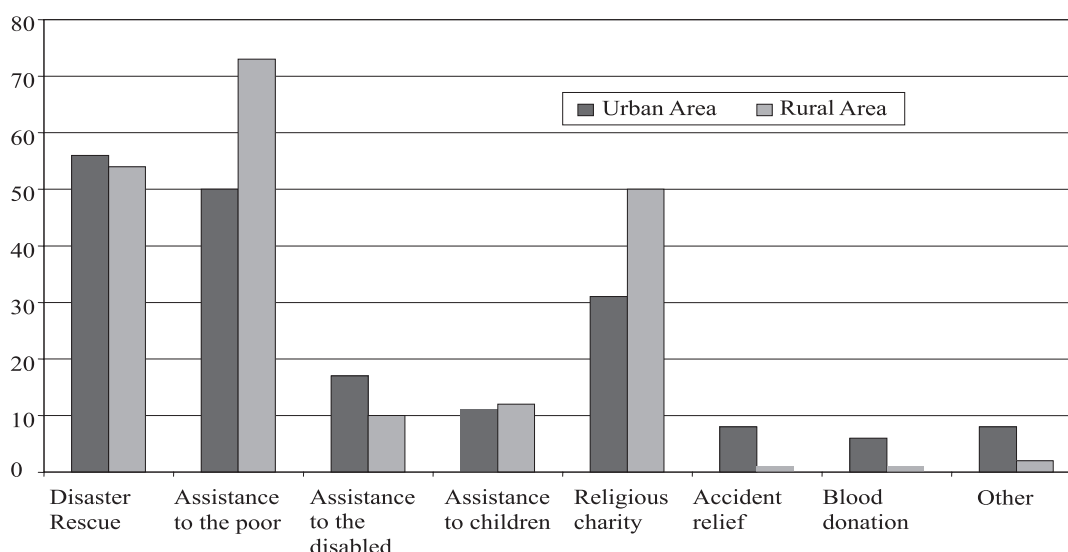
Figure 1: Information sources on charity

Columns from left to right: Loudspeakers; Newspapers; TV; Meetings; Mass organizations; Internet; Families, relatives; Friends, outsiders; Leaflets, bands, banners.

3.1.2 Capacity to participate and contribute to charity activities

The survey attempts to understand people’s capacity for charity and fundraising activities. The majority of people who participate in disaster relief (such as storms, floods, inundations, and landslides) respond to campaigns to assist the poor. Response to and participation in other humanitarian activities, such as blood giving, taking care of handicapped persons and bringing up children in difficult conditions, are relatively low. The significant amount of participation through religious charity activities reflects changes in Vietnam’s spiritual life in both rural and urban areas (Figure 2).

Figure 2: Participation in charitable activities in the past 12 months



In order to understand more fully the charitable capacity of the public, the research team assessed the level of charitable contributions by households in the 12 months before the survey (both in cash and in kind). The results, in Table 1, are aggregated according to the various channels receiving those contributions.

Table 1. Charitable contributions by households differentiated by channels for receiving those contributions

<i>Charitable channels</i>	<i>Urban contributions</i>	<i>Rural contributions</i>	<i>General contributions</i>
<i>Official</i>			
Funds for the poor	49,700	10,200	35,300
Independent funds	33,100	900	17,000
Corporate and business funds	17,500	900	9,200
Fatherland Front	1,200	2,800	2,000
Agencies, administration at various levels	23,400	8,650	16,000
Mass organizations at various levels	43,100	19,500	31,300
Work place	80,400	9,650	45,000
Mass media, television	18,000	1,000	9,500
Other official channels	19,200	5,500	12,300
Total	285,600	59,100	177,600

<i>Charitable channels</i>	<i>Urban contributions</i>	<i>Rural contributions</i>	<i>General contributions</i>
<i>Unofficial</i>			
Pagodas, temples	606,400	43,700	325,000
Parishes, churches	2,500	502,000	252,300
People in villages/wards	15,100	13,800	14,400
People outside villages/wards	27,800	nil	13,900
Beggars	25,000	14,600	19,800
Others	3,400	nil	1,700
Total	680,200	574,100	627,100

Source: Calculation from corporate survey statistics in Hanoi, Ho Chi Minh City, Long An and Thai Binh provinces

In cities, on average each household made charitable contributions through various official channels worth 250,000 VND per year, and a further 680,000 VND through unofficial channels. This was primarily contributions to pagodas, temples, parishes and churches (in total worth nearly 1m VND/household/year). In the countryside, in the 12 months before the survey, on average each household contributed less than 60,000 VND/year through official channels, but 574,000 VND/year through unofficial channels.

If calculated for all the households in the sample, the charitable contributions from the populace converted into cash amounted to 800,000 VND/year (including 178,000 VND through official channels and 627,000 VND through unofficial channels). This is no small amount, and should be noted in fundraising efforts and in formulating appropriate policies regarding charitable contributions.

Indeed, the figures in the report may be lower than in reality, but the structure and tendency toward contribution that is reflected in the statistics is of significance. The results not only show the difference in capacity for charitable contribution between rural and urban areas, but also the various channels of contribution. The unofficial channels always account for a bigger percentage than official channels. This may show that official channels are not diverse enough, and do not meet the needs of the people.

To understand the charitable capacity of people more deeply, the research team made comparisons between the levels of contribution and the economic conditions in those households. The results show that compared to their household incomes, 74% of households in urban areas and 89% of households in rural areas said that their charitable contributions were little or modest. Ninety-four percent of rural households and 89% of urban households expressed the opinion that their level of contribution either did not affect or only affected in a minor way the household economy. Only one percent of households said that their contribution was high compared to their household incomes, and that charitable contributions account for less than two per cent of total annual incomes.

The results show that the potential for charitable giving remains great, and the level of participation will increase if mobilized and organized effectively.

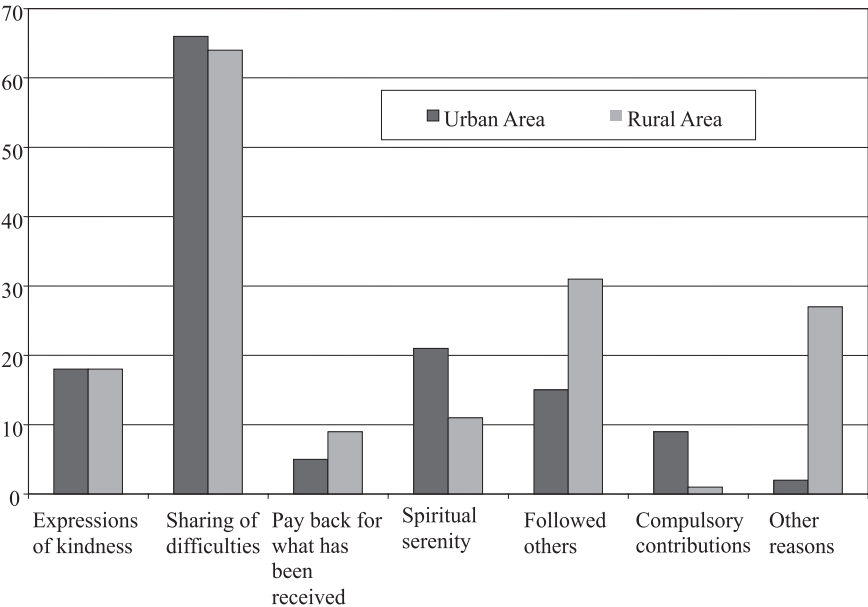
3.1.3 *Reasons for doing and contributing to charity*

Why do people carry out charitable activities and make charitable contributions? What is the driving force for charitable activities in the populace? The analytical results are shown in Figure 3. In rural as well as urban areas, the main reason for charitable contributions or participation in charitable activities is the desire to share the difficulties of others. This is followed by the positive feeling it provides, particularly for urban dwellers. Following the example of neighbors is also a significant factor, especially in the countryside, which reflects the influence of the community on charitable contribution as a social activity.

The percentage of households that have made required contributions to charity accounts for only a small portion of households (1% rural and 9% urban). This indicates that charity is a voluntary act, given from the heart and cannot be forced in reality. Giving required by various social campaigns initiated by the State is difficult to sustain without the public’s interest.

The survey results shows that people are relatively active in participating in charitable activities (90% in the countryside and 65% in town). There is a general willingness to contribute to philanthropic giving in the future (92% in rural areas and 61% in urban areas). Charitable activities in Vietnam are becoming increasingly voluntary, and this is a good sign in fostering further the strength of communal philanthropy.

Figure 3: Reasons for contributing to charity



3.1.4 *Assessment of the efficiency of charity activities*

The research team also assessed the quality of the charitable activities, asking questions to measure the efficiency of charitable activities. In general, compared to those in rural

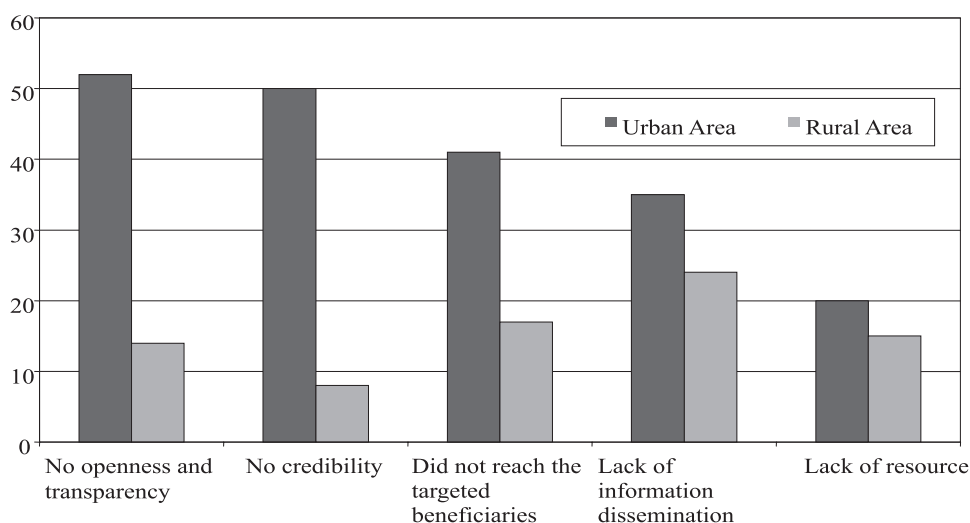
areas, urban dwellers are less satisfied with the efficiency of charitable activities. Almost 20% of people in urban areas say that charitable activities are not effective, compared to 7% in rural areas. It could be that urban dwellers have better access to information on charitable activities, and are therefore tougher in their assessments.

Although people have actively participated in philanthropic giving, 14% respondents in the cities and 7% of those in rural areas are dissatisfied with the current methods of giving available to them. This is primarily because of a lack of transparency and trust. In addition, they also complain that donations sometimes do not reach those who are truly in need and information dissemination is generally limited (Figure 4).

It should be noted that lack of resources is not the main reason for weaknesses in charitable activities. Only 20% of respondents in urban areas and 15% in rural areas cite lack of resources as the primary impediment.

In general, rural people are more satisfied with charitable activities and contributions. Frustration with the limitations and weaknesses in charitable activities are mainly reflected in responses from urban dwellers. Greater awareness of, understanding and access to, information about charitable giving in urban areas are likely to be the reasons leading to the differences in the results outlined above.

Figure 4: Weaknesses in current charitable activities



3.2 Corporate survey results

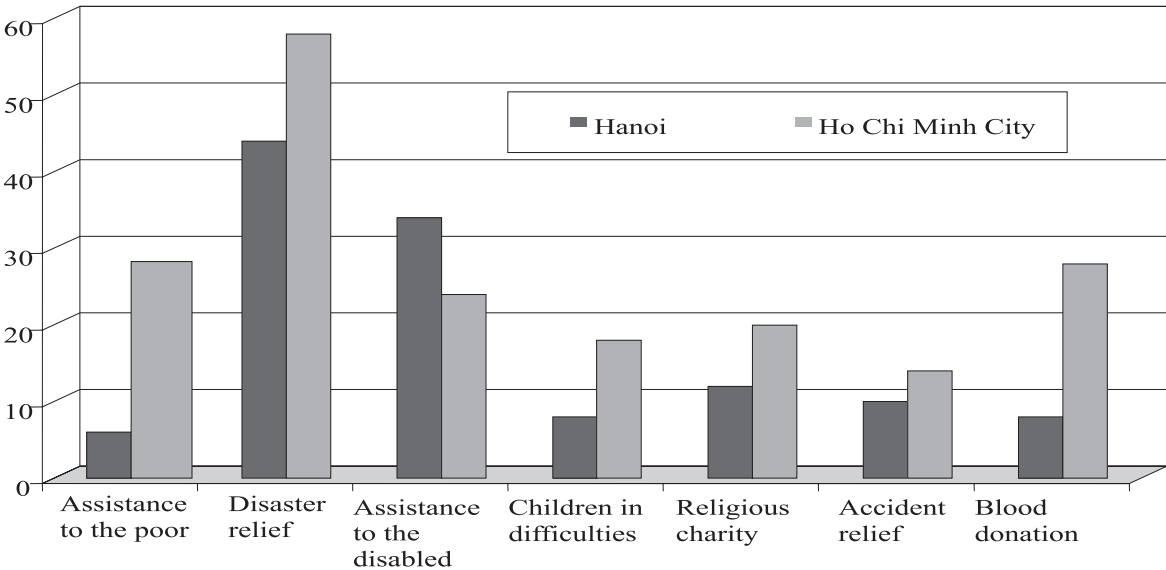
The survey results in the community are of greater significance when combined with a comparison of the corporate survey results from Hanoi and Ho Chi Minh City. These are the two localities with the highest level of socio-economic development, attracting foreign investment, and with the largest number of businesses in the country. While business respondents were fewer in number than individual respondents, the diversity of type, field and size of the businesses generate interesting findings with policy implications.

Among the total of 100 businesses surveyed, 78 were private enterprises, 12 were state-owned enterprises, and the remaining joint ventures with foreign companies. The bigger businesses tended to be in Ho Chi Minh City, while the Hanoi businesses were mostly small and medium-sized enterprises. A number of businesses were not simply involved in direct production but participated in different economic, trade and service activities. The surveying period coincided with the impact of the global financial crisis, and this factor should be taken into consideration when analyzing the results. The main survey findings are below.

3.2.1 Corporate charity needs

Businesses in both Hanoi and Ho Chi Minh City faced similar difficulties. When asked about their most important needs, the majority of businesses identified a lack of capital preventing the expansion of their business production (65%), or a low skilled labor force which negatively impacts business operations and revenues (23%). Other needs, such as welfare and social safety concerns that businesses had to provide to workers, were not mentioned by the businesses themselves, at least at the moment of surveying.

Figure 5: Corporate participation in charitable activities in the two cities over the past 12 months



It is noteworthy that corporate desire to do charity is relatively strong despite their multiple worries. Sixty-eight percent of businesses in Hanoi and 84% in Ho Chi Minh City indicated that they pay attention to charitable activities. Over the 12 months before the survey, numerous businesses had participated in disaster relief activities and assistance to the disabled. In general, more businesses in Ho Chi Minh City carried out charitable activities than those in Hanoi, with the one exception being activities to assist the disabled. (Figure 5)

3.2.2 Corporate charity capacity

How much do businesses actually give to charitable activities is not an easy question to answer. Many business representatives did not provide a specific figure, and most preferred to state their contributions, whether in cash or in kind, as individual contributions to specific beneficiaries. Although companies set aside an annual budget for charitable giving, the precise amount depends on the economic circumstance of the businesses and on the needs of the needs of the community.

A number of business representatives said that their policy was not to publicize information on their charitable activities and contributions. Others said that they had not calculated the value of charitable contributions because a number of charitable activities were in the form of voluntary contribution of staff time or complimentary professional services, not included in the annual charity budget. One day's salary is often used as the measure of contribution to assist victims of natural disaster and their families, which is often not accounted for by businesses.

Despite the above-mentioned difficulties, the research team was able to collect information on charitable contributions by businesses. These statistics may not be complete and are lower than reality, but they do allow us to compare the relative charitable capacity of businesses and assess the level, resource and possible impact of future corporate giving.

The composite figures in Table 2 show that businesses in Ho Chi Minh City contributed much more money to charity than those in Hanoi. In Hanoi, on average each business contributed 3.5 million VND through official channels each year, while this figure is 28 million VND for Ho Chi Minh City. The amount of money contributed by businesses through unofficial channels is not big, but this figure is still much larger for Ho Chi Minh City than for Hanoi (an average of 2.7 million VND compared to 1 million VND for each business). The total charitable contributions of one business in Ho Chi Minh City amounted to approximately 31 million VND a year. This figure is not small compared to the incomes and living conditions of people in need of assistance.

Table 2: Charitable contributions by businesses differentiated by channel for receiving those contributions

<i>Receiving channels</i>	<i>Hanoi Contributions (N=50)</i>	<i>HCM City Contributions (N=50)</i>	<i>General Contributions</i>
<i>Official channels</i>			
Funds for the poor	1.120.000	11.556.000	6.338.000
Independent funds	260.000	40.000	150.000
Corporate and business funds	94.000	200.000	100.000
Fatherland Front	1.048.000	480.000	746.000

<i>Receiving channels</i>	<i>Hanoi Contributions (N=50)</i>	<i>HCM City Contributions (N=50)</i>	<i>General Contributions</i>
Agencies and government authorities at various levels	259.000	7.471.400	3.865.200
Mass organizations at various levels	334.000	5.006.000	2.670.000
Businesses themselves	200.500	800.000	401.000
Mass media, television	108.000	2.800.000	1.454.000
Total	3.423.500	28.353.400	15.724.200
<i>Unofficial</i>			
Pagodas, temples	134.000	2.018.000	1.076.000
People inside businesses	594.000	600.000	598.000
People outside businesses	--	--	--
Others	324.000	118.800	162.000
Total	1.052.000	2.736.800	1.836.000

Source: Calculation from corporate survey statistics in Hanoi, Ho Chi Minh City, Long An and Thai Binh Provinces

The figures in Table 2 show considerable differences between the channels chosen by businesses in the two cities. In Ho Chi Minh City, the Fund for the Poor is a credible route for humanitarian contributions by businesses. Since current regulations make it difficult for businesses to form and maintain charity funds directly, the popular option is to contribute to charity organizations and funds. In addition, businesses often use direct financial support to build schools, provide scholarships for pupils with strong academic achievements, or disaster relief assistance.

Seventy-eight percent of businesses in Ho Chi Minh City and 66% in Hanoi said that their contribution was little or moderate compared to the conditions of their business. The majority took the view that that level of contribution does not impact, or impacts very little, on the activities of the business. No business representative was of the opinion that their level of contribution is beyond the capacity of the business. These results show that there is great potential for corporate giving. Like individual giving, corporate giving in Vietnam has not yet fulfilled its potential.

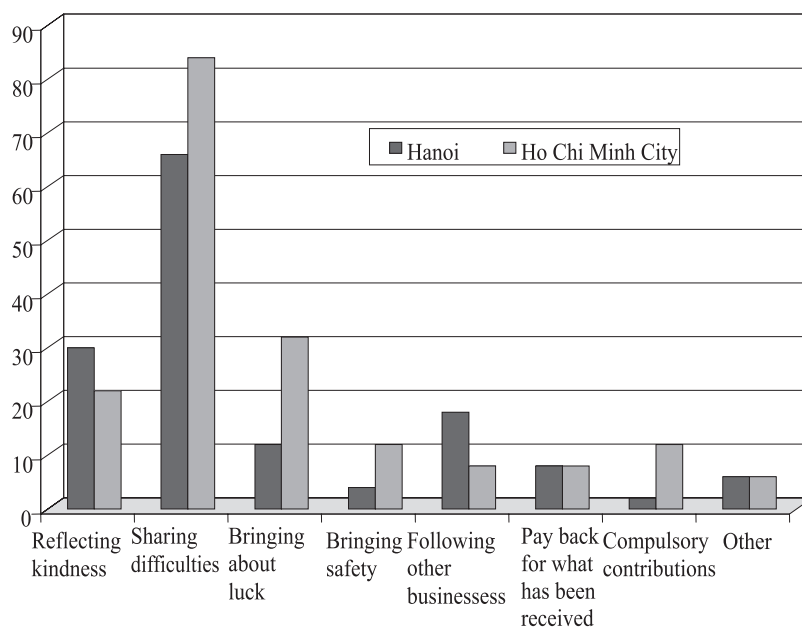
3.2.3 Reasons for charity

Businesses put forward more reasons for their charitable contributions than the research team had expected. Most entrepreneurs understood that doing charity is good and “feel a responsibility to do good things”. Entrepreneurs are often of the mindset that they should return what they have received to the community. Many entrepreneurs feel that to do good

business, it is necessary to take social responsibility, including through corporate charity. They also want to express kindness in the hope that it will bring luck and safety to their business activities in the long run.

Figure 6 shows that in both cities, the aspiration to share the community's difficulties is a key reason for businesses to make charitable contributions. The spiritual approach to giving and receiving was also reflected in a number of opinions; the more businesses receive, the more they should make contributions to the community. By doing so, they feel safe and secure about their business activities.

Figure 6: Reasons for businesses to do charity



Unlike individuals, businesses generally do not emulate other businesses in charity contributions, especially in Ho Chi Minh City. This reflects a more independent and professional tendency in charitable activities by businesses in the South. Compulsory charity accounts for only a small percentage of charity (2 per cent of businesses in Hanoi and 12 per cent in Ho Chi Minh City). Most giving is voluntary, providing a basis for the sustainable development of these humanitarian activities.

Not only participating voluntarily, many businesses also proactively organize collections for charity, especially in Ho Chi Minh City. When asked, many business representatives said they were willing to participate if they were called upon (88% of businesses in HCM City and 56% in Hanoi). Although 40% of businesses in Hanoi are not quite clear in their response, the general tendency for corporate giving is strong.

Most businesses explained that corporate success determines charitable activities. The role played by the head of a business is very important in this kind of activity, and often reflects personal sentiments. Corporate giving depends on business profits, and the

budget level is decided by the corporate head. Many businesses allocate more money for charity unexpectedly, depending on the availability of the budget when charitable demands arise.

Interestingly preferential policies such as tax exemptions play a small or no role at all in many businesses' decision to provide charitable contributions. When asked about tax concession for charity activities, most business representatives were unclear about tax policies or doubtful that preferential treatments bring benefits to business and charitable activities. This issue needs to be explained and clarified through further information on corporate giving.

3.2.4 Forms of corporate giving

The survey was interested in understanding the forms of corporate giving, whether in cash or in kind. 46% of businesses supported both forms, with 40% provided only cash contribution. Cash assistance maybe decreasing, according to one business representative: *"Contributions in cash and in kind can be divided 50/50. When the budget is tight (financial difficulties), we move to assisting in kind instead of cash. In general, contributions in cash are gradually decreasing, while contributions in kind are on a rise. A few years ago, contributions in cash were greater."* (Interview with a business in Hanoi)

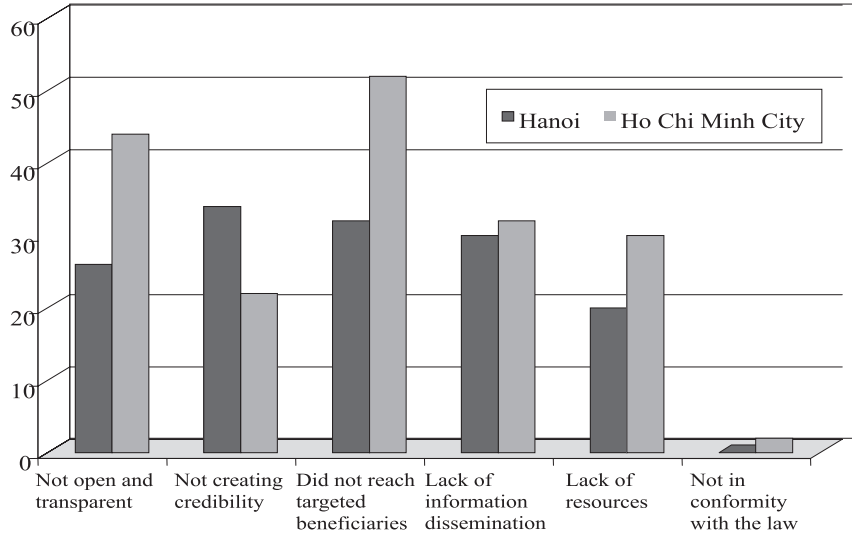
Others are of the opinion that contributions in kind have greater credibility than those in cash. *"We prefer to contribute in kind because firstly, we want to know for certain how people will use the contributions; and secondly, contributions in kind reach beneficiaries more easily than cash."* (Interview with a business in Ho Chi Minh City)

Volunteer programs by staff are not common at the moment, although they did appear in a number of businesses with large numbers of workers. These businesses said that sending staff to do volunteer work generates a lot of benefits and is a form of charity through time contribution. Benefits to businesses include the opportunity to attract capable individuals or provide training for staff, and this can be used to replace cash contributions that businesses cannot provide given the economic crisis.

3.2.5 Assessing the efficiency of corporate charity

Businesses in general are of the opinion that current charitable activities are effective. However, there are differences of opinion between businesses in the two cities. Only 32% of businesses in Hanoi, compared with 56% of businesses in Ho Chi Minh City, say current activities are effective. It is interesting to note that while 28% of businesses in Ho Chi Minh City indicated that they are not satisfied with the efficiency of current charity activities, 56% of businesses in Hanoi chose not to answer this question.

Figure 7: Weaknesses in corporate charity activities



This hesitancy shows the lack of confidence businesses have in charitable activities at present. Businesses express similar opinions as individuals on the lack of transparency, openness, lack of confidence, misidentification of targets, and failure to disseminate information on charitable activities widely (Figure 7). While the lack of resources is creating difficulties and obstacles for a number of businesses, there was only one business, in Ho Chi Minh City, who believed that corporate philanthropy does not yet conform to policy and legal regulations.

In general, businesses in Ho Chi Minh want to see greater changes in the philanthropic environment compared with their peers in Hanoi. They want more openness and confidence in the official charitable channels. The motivation to do charity exists more strongly among businesses in the South. At the time of the survey, 66% of businesses in Ho Chi Minh City indicated that they are participating in charitable activities, compared to 8% in Hanoi. This difference reflects the dynamic nature of businesses in the South in brand marketing and in corporate social responsibility to respond to challenges facing the country, as well as a more long term vision regarding community development as critical to growth of the business community in Ho Chi Minh City.

“What we are expecting is effectiveness. If economic conditions improve and the community develops, it will help our businesses. That is the full recognition of charitable activities.” (Interview with a business in Ho Chi Minh City)

3.2.6 Aspiration and expectations of businesses

The businesses surveyed said that they were not expecting anything from their charitable contributions, but more in-depth analysis shows that most say that at least they need

some recognition of trust. For example, a certificate, a letter or notice recognizing their charitable contributions is sufficient with small businesses: *“When we do charity, we do it for free, meaning that it does not bring profits to our business [and therefore] it does not need monitoring. We will continue our activities if we believe that they are sustainable and our partners are credible.”* (Interview with a business in Ho Chi Minh City)

The survey coincided with the global economic crisis, but most businesses say they plan to maintain the present level or increase the amount of charity money: *“We have to cut our budget across the board due to current economic difficulties. However, the allocation of our budget for charitable purposes will not decrease.”*

Coping with the financial crisis and prolonged economic stagnation means that many businesses have to consider and review the resources they allocate to charitable activities. Cutting the charity budget seems an easy way to save expenditures for some businesses: *“This year we are belt tightening because of the economic crisis. For example, we do not organize big fundraising events this year. Next year, we hope that activities will resume as before, and after the crisis, events will be organized as in the past.”* (Interview with a business in Hanoi)

These results demonstrate the need to review charitable activities in the general socio-economic context. Corporate philanthropy depends greatly on revenues and business conditions. The effects of the global financial crisis will negatively impact corporate philanthropy and need to be studied further in future research.

4. Summary of conclusions and some recommendations

To meet the need for more information on charity participation and fundraising in Vietnam, the research team of the Vietnam Asia Pacific Economic Center (VAPEC Hanoi), with the support of The Asia Foundation, has conducted a rapid assessment, using sociology methods of charitable activities by individuals and businesses, the two main sources that contribute to and implement charitable activities in Vietnam.

The research team interviewed 200 households in rural and urban areas in four provinces and cities and interviewed 100 businesses (including 12 intensive in-depth interviews) in Hanoi and Ho Chi Minh City. All these businesses had participated in charitable activities in Vietnam. Beyond the preliminary study, the team conducted desk research on charitable activities at home and abroad.

The results show that charitable activities are on the rise in Vietnam among both individuals and businesses, with great potential for the future. In both rural and urban areas, there is desire for charitable work and aspiration among individuals and businesses to do good things and help others in difficult situations. Although a number of businesses engage in charitable activities with the purpose of doing business and advertising their trademarks, most business are motivated by the need to “do good things” for the community in order to feel secure and demonstrate social responsibility in their activities.

Both individuals' and businesses' capacity to contribute to charitable activities is greater than the initial assumption of the research team. The contributions do not affect the economic conditions of the people or business and production of enterprises. Charitable contributions account for only a small percentage of business revenues or household income, and as such, can go beyond the existing capacity within society.

The survey showed differences in the amounts of money contributed, depending on the channel used for charitable contribution. People as well as businesses tend to want contributions to be sent directly to the beneficiaries. This view reflects in part the current limits to charitable activities, contributions and fundraising activities in Vietnam. People and businesses do not have confidence in the activities of a number of organizations, including charitable associations and intermediary organizations. They have seen a number of negative cases occurring in the giving and receipt of charity. Inappropriate regulations and the current charitable giving mechanism may further reduce transparency and undermine the desire to participate in charity in society.

Based on the study results, we put forward the following recommendations aimed at strengthening charitable activities and improve the relevant policy and legal environment in Vietnam.

4.1 The people

To raise awareness of charitable activities and contributions, it is necessary to encourage charitable activities not only among businesses but also in the community. Personal participation and contributions to charity should be acknowledged. Awards should not only be for businesses and individuals who gave huge amounts of money and goods, but also for all the many who act out of their good conscience and kind hearts. This is the tradition of Vietnamese society.

Building a model for voluntary charitable activities starts with building the skills necessary for these activities. Human resources are infinite but are not yet motivated fully in the community. Given that more than 70% of the population currently resides in the countryside with an underdeveloped social safety net, broader public engagement in charitable activities has an important role in the sustainable development of the country.

The sustainability of charitable activities does not depend on the size of the financial contribution but on the non-profit character, openness and transparency of the parties concerned. Many are willing to assist the less fortunate to overcome hardships and difficulties. Their participation in charity activities is unlimited because society always needs such support.

4.2 Businesses

Corporate charity is rising in both scale and quantity in Vietnam. Increasing the awareness of "*when drinking the water, remember its source*" as corporate social responsibility is the foundation for corporate charitable activities. These activities in turn can also provide favorable publicity and strengthen business trademarks.

After-tax income is a fundamental source for charitable giving which requires the establishment of relevant financial regulations. Corporate charitable giving should be more professionalized, and policies supportive of increased investment in corporate giving are needed. In addition, training centers on charitable activities would help businesses make the best use of their charitable contributions. A handbook or manual on corporate charity would provide a useful reference document to help businesses share information and cooperate on these important activities.

While the Government has issued policies to provide preferential treatment for businesses participating in community development and charitable activities (e.g. tax exemption or reduction), many businesses do not pay attention or are unable to access these preferential treatments. Many new incentive measures for social investment by businesses have been introduced into corporate income laws, but they have not yet been concretized. In order to ensure these preferential treatments work in reality, businesses must be aware of their existence and how to access them. In other words, businesses should be fully informed and provided with detailed instructions.

4.3 Agencies to organize the receipt of charity

We must be careful with policies which may harm charitable activities and are impractical. It is time to renovate the policy mechanisms in order to support charitable giving and activities by the community and businesses. It is important to publicize policies for preferential treatment for the poor, the vulnerable and victims requiring assistance.

It is necessary to consider the effective monitoring of charitable activities. The management regulations provided in Decree 64 are difficult to implement, even creating confusion in charitable activities while reducing efficiency. Charitable activities need to be returned to their origins, based on the voluntary nature of organizations and individuals, since at its core charity is non-profit and humanitarian.

Charitable funds and organizations should have an efficient operational structure, not unduly bureaucratic, but sufficiently professional to carry out their humanitarian tasks. Charitable activities should be regularly monitored, assessed, and compared across a period of time and various organizations, in order to draw useful lessons.

4.4 Ensuring the sustainability of charity activities

The study results show that the main reason individuals and businesses make charitable contributions is to help others facing difficulties and misfortunes. Charity is an activity with cultural and spiritual meaning, as it brings peace to those who give. Giving is also receiving, and the desire to reach toward goodness and to do good things permeates charity work. Succeeding in doing good things is integral to the activities. When this aspiration is linked to spiritual belief, then the driving force for charity becomes even stronger. In a civilized society, those who are disadvantage become an ever present concern for the community. The losses suffered by others are common suffering, to be shared and accepted by the community.

Vietnam has an “unbroken leaves envelop torn leaves” tradition. Doing charity is always necessary in the lives of its people. This is one of the decisive factors for the sustainability of charitable activities. Though the country still faces a lot of difficulties and the people are still poor, everywhere and at all times humanitarian charity is part of the everyday activities of the people.

The establishment of charitable funds has engendered and strengthened the sense of community. Charitable activities have been further expanded, exerting a positive impact on society. If charitable activities take place in a more transparent and effective environment, the future of charitable activities in Vietnam will be very bright.

Vietnam is now a middle income country with a growing number of entrepreneurs. This provides favorable conditions for charitable fundraising in the coming years. Corporate leaders who have taken the initiative in the process of renewal and integration wish to see the country overcome poverty and move forward to industrialization and modernization. However, it is necessary to avoid excessive optimism among both individuals and businesses, the desire to use charity only for personal fame and/or advertisement of brands.

Policies are needed to address the income gap between the rich and the poor which can lead to polarization and social instability. The degradation of the environment around us requires a huge commitment of time and resources to revive, and in many aspects it may never fully recover. The changes in the social environment (cultural and social structures) have occurred so rapidly that they have created a multitude of conflicts and conflicts of interests. Charity requires the cooperation of the whole community, and as such, the tendency to not unite and not collaborate in modern Vietnamese society is an obstacle to charity. Conflicts among the different interest groups are currently challenging the sustainable development of charitable activities.

These initial research results demonstrate the need for a more in-depth research project on the various forms of charity, charitable contributions, and fundraising activities in Vietnam. A national level research project is necessary to assess the scale of charitable contributions, and the capacity and impact of the different forms of charity giving and receiving in Vietnam. The data gained will provide the basis to monitor, enhance and assess the quality of charitable activities, and the contributions they make. This will contribute to achieving the goal of rapid and sustainable development of the country.

ANNEX

Annex A: Charity interviews

THE VIETNAM ASIA PACIFIC ECONOMIC CENTER, HANOI SURVEY QUESTIONNAIRE FOR HOUSEHOLDS

Province/City: _____ Ward/village: _____	Head of Household: _____ Code No. : _____
	Date...../...../2009 Household:
Family name of interviewer: _____	Address: House No: _____

PART 1: INTERVIEWEE'S INFORMATION

1.1 Interviewee's full name: _____

1.2 Age (solar year): _____

1.3 Sex: 1 = Male 2 = Female

1.4 Level of education (What grade/level have you graduated)?

1 = Illiterate

5 = College/university

2 = Primary

6 = Post-graduate

3 = Basic secondary

9 = Other

4 = Upper secondary

1.5 Your current main job:

1 = Worker

7 = Policeman, militaryman

2 = Farmer, forest worker, fisherman

8 = Student

3 = Small handicraft enterprise

9 = Retired

4 = Technician, expert

10 = Loss of working ability

5 = Manager

11 = Unemployed, housewife

6 = Trader, businessman, service worker

1.6 What economic sector does that job belong to?

1 = State 2 = Collective 3 = Private 4 = FDI 9 = Other

1.7 Religion of the respondent:

1 = Christianity 2 = Buddhism 3 = No religion 4 = Other

1.8 Nationality: 1 = Kinh 2 = Chinese 3 = Others

PART 2: INFORMATION ON HOUSEHOLDS

2.1 We would like to ask more about your household **including all persons living together with you in the household?**

A. Total household members? persons (including: male; female)

B. The number of persons aged 60 and above, including: _____ persons (born in or before 1949)

C. The number of children under the age of 15, including _____ children (born since 1993)

D. The number of generations living together in the household: _____ generations

E. The family structure (interviewer's own assessment, do not ask):

1 = less than nuclear

3 = nuclear with grandparents

2 = nuclear

4 = extended family

2.2 Interviewer: with rural households: How much was the total income of the household in the past 12 months? (The total revenue from rice, vegetable and fruit, husbandry, small trade, service, secondary job,...).

A. The household income from cultivation..... VND/year

B. The household income from livestock..... VND/year

C. The income from the non-agricultural work (if any)..... VND/year

D. The income from wages of laborers in the household (if any)..... VND/year

E. The income from other sources (retirement pension, money sent from overseas, etc (if any))..... VND/year

F. The total income of the household during the past 12 months VND/year

G. The average income/household:VND/month → **Move to question 2.4**

2.3 Interviewer: with urban households: How much is the total income of the household in the past 12 months? (Consisting of all the amounts including the rent of the house, money sent from overseas...)?

- A. The income from wages of members of the household (if any)..... VND/year
- B. The income from the rent of the house/land..... VND/year
- C. The other income (subsidy, retirement pension, the interest from savings, money sent by relatives from abroad, etc.)..... VND/year
- D. The income from non-agricultural work (if any)..... VND/year
- E. The total income of the household in the past 12 months..... VND/year
- F. The average income/person: VND/month

2.4 According to your assessment, what is the living standard of your household at present?

- 1 = Better-off
- 2 = Average
- 3 = Poor
- 4 = In difficulties
- 9 = Do not know/No answer

2.5 During the past 12 months, from which of the following sources did your household receive charity assistance and support (in kind, in cash or in the form of visits and encouragement)? (Note for interviewers: read the source of assistance):

- 1 = From upper-level authorities
- 2 = From local authorities (village/ward, hamlet/group)
- 3 = From upper-level mass organizations
- 4 = From local mass organizations (village/ward, hamlet/group)
- 5 = From neighbors
- 6 = From family, relatives
- 7 = From friends, outsiders
- 8 = From parish, temples
- 9 = Others: _____
- 0 = No assistance, support

2.6 What are the important needs of the household at present? (Note to Interviewers: Do not read out answers. Circle 03 options at most)

Giving birth	1
Economic activities/earning extra income	2
Stabilization of life	3
Purchase of property	4
Purchase of land, house	5
Study/education	6
Marriage, family	7
Seeking jobs/new jobs	8
Illnesses, health issues	9
Relaxing, entertainment, tourism	10
Other needs (write clearly) _____	11
No needs whatsoever	00
Do not know/no answer	99

2.7 In addition to the above-mentioned needs, is your family interested in charity?

1 = Yes

2 = No

9 = Do not know/No answer

2.8 In your opinion, is the need for charity with regard to other households in the surrounding area great, average or small?

1 = Great

3 = Small

2 = Average

9 = Do not know/No answer

PART 3: CHARITABLE ACTIVITIES

3.1 Are you interested in charitable activities?

1 = Yes

2 = No

9 = Do not know/No answer

3.2 How do you find out about charity activities? (select 03 options at most)

1 = Loudspeakers, radios

2 = Newspapers

3 = leaflets, banners

4 = Television

5 = Local meetings

6 = Internet

7 = Family, relatives

8 = Friends, outsiders

9 = Mass organizations

10= Other (write clearly) _____

3.3 In the past 12 months, which of the following charitable activities have you known about and participated in?

Charity activities	1= Participate 2 = Do not know	1 = Know 2 = Did not participate in
Disaster assistance (typhoons, floods, landslides,...)		
Accident assistance		
Assistance to the poor, people in difficulties		
Blood donation, illness assistance		
Assistance to the disabled, those affected by agent orange		
Bringing up disadvantaged children, orphans		
Religious charity		
Other (write clearly) _____		

3.4 In the past 12 months, who did members of your household contribute charity to? To which receiving organizations? How much concretely (in cash and in kind)?

Receiving agents	Cash (VNĐ)	In kind, labor. CONVERTED (VNĐ)	Total (VNĐ)
Funds for the poor			
Independent funds			
Corporate funds			
Fatherland Front			
Agencies and authorities at different levels			
Mass organizations at different levels			
Workplace			
Mass media, television			
Others (write clearly) _____			

3.5 In the past 12 months, which other receiving agents did members of your household contribute charity to? How much concretely (in cash and in kind)?

Receiving agents	Cash (VNĐ)	In kind, labor. CONVERTED (VNĐ)	Total (VNĐ)
Temples, pagodas			
Churches, parishes			
People in village/ward			
People outside village/ward			
Beggars			
Others (write clearly) _____			

3.6 What level of contribution did you make to the above-said activities compared to your living standard and that of your household?

1 = Very much

4 = Little

2 = Much

5 = Very little

3 = Moderate

9 = Do not know/No answer

3.7 How does that level of contribution affect your household's economy?

- 1 = Affect much
- 2 = Affect moderately
- 3 = Affect little
- 4 = Not affect at all
- 9 = Do not know/No answer

3.8 For what reasons did you give charitable contributions? (DTV: select 03 options at best)

- 1 = To express kindness
- 2 = To share difficulties with others
- 3 = To repay for what one has received
- 4 = To have serenity for oneself
- 5 = To follow others in the surrounding area
- 6 = To be required to contribute charity
- 7 = Other reasons (write clearly) _____
- 9 = Do not know/No answer

3.9 What is your main role in the above charitable activities? (DTV: select only 01 option)

- 1 = Host, organizer
- 2 = Galvanizing others
- 3 = Participate
- 4 = Do not know/No answer
- 9 = Other role (write clearly) _____

3.10 According to you, are charitable activities and contributions at present **effective**?

- 1 = Effective
- 2 = Relatively effective
- 3 = Not effective
- 4 = Not very effective
- 9 = Do not know/No answer

3.11 Are people's charitable activities at present **voluntary** or not?

1 = Voluntary 2 = Not voluntary 9 = Do not know/No answer

3.12 Do you support the current ways of doing charity?

1 = Very supportive 4 = Not very supportive
2 = Relatively supportive 9 = Do not know/No answer
3 = Not supportive

3.13 What weaknesses do charitable activities and contributions at present have?
(Interviewer: select 03 at most)

- 1 = Not open, transparent and clear
- 2 = Not generating trust for contributors
- 3 = Not hitting the targets of charity beneficiaries
- 4 = Not conforming with the law and regulations
- 5 = Lack of promotion and publicity
- 6 = Lack of resources for implementation
(manpower, material and financial sources)
- 9 = Do not know/No answer

3.14 To make charitable activities more effective, according to you, **what issues** need paying attention to? (Interviewer: select 03 options at most, put serial numbers for priority)

Issues need paying attention	Put serial numbers for priority
1 = Aims of doing charity	
2 = Ability to effectively promote and publicise campaigns	
3 = Forms of promotion and publicising of campaigns	
4 = Target/charity beneficiaries	
5 = Management capacity of individual, organizations doing charitable work	
6 = Credibility of individuals, organizations doing charitable work	
7 = Other issues	
9 = Do not know/No answer	

3.15 Is the ability to do charity of local people high, medium or low?

- 1 = High
- 2 = Average
- 3 = Low
- 9 = Do not know/No answer

3.16 According to you, should individual charitable contributions be in kind or in cash?
(select 01 option)

- 1 = In kind
- 2 = In cash
- 3 = In kind and in cash
- 9 = Do not know/No answer

3.17 In the upcoming period, are you willing to participate in charitable activities?

- 1 = Very willing
- 2 = Willing
- 3 = Not willing
- 4 = Not very willing
- 9 = Do not know/No answer

3.18 Do you recommend any **forms of charity**?

- 0 = No recommendation
- 1 = Yes → What are the forms?:

.....

.....

With sincere thanks!

THE VIETNAM ASIA PACIFIC ECONOMIC CENTER, HANOI
SURVEY QUESTIONNAIRE FOR COMPANIES

Province/City: _____	Corporation name: _____
Village/ward: _____	Code No.: Business: Date...../...../2009
Address	Family name given/name interviewer : _____

PART 1: PERSONAL INFORMATION

1.1 Responder's name: _____

1.2 Age: _____

1.3 Sex: 1 = Male 2 = Female

1.4 Your level of education?

- | | |
|---------------------|-------------------------|
| 1 = No schooling | 5 = College, university |
| 2 = Primary | 6 = Post-graduate |
| 3 = Basic secondary | 9 = Other |
| 4 = Upper secondary | |

1.5 Responder's position in the company: _____

1.6 The year you started working in the company: _____

1.7 Your religion?

- | | |
|--------------|-----------------|
| 1 = Catholic | 3 = No religion |
| 2 = Buddhist | 4 = Other |

1.8 Ethnicity: 1 = Kinh 2 = Chinese 3 = Other

PART 2: CORPORATE CHARACTERISTICS

2.1 When was your company established? _____

2.2 In what fields do the main activities of your company take place?

1 = Agriculture, forestry, fishery

2 = Industry

3 = Handicraft

4 = Basic construction

5 = Finance, banking

6 = Communication, advertisement

9 = Other (write clearly) _____

2.3 What economic sector does your company belong to?

1 = State

2 = Collective

3 = Private

4 = Foreign investment

5 = Other

2.4 What is the number of staff and personnel employed by your company at present?

• Number of official personnel: _____ person

• Number of personnel on contract: _____ persons

(Do not know/No answer → write 000 in the correspondent line)

2.5 How much is the **average** monthly salary of workers in the company?

The average income per capita per month:

(Do not know/No answer → write 999)

2.6 What are the most important needs of the company at present? (*Interviewers note: No need for answer. Circle 03 needs at best*)

Scale of activity 1

Capital/finance 2

Laborers income 3

Material base, equipment	4
Production area	5
Level of skills	6
Employment for laborers	7
Regulation and policy	8
Production/business environment	9
Wealth fare and social safety	10
Other needs (write clearly)	11
No needs	00
Do not know	99

2.7 Apart from the needs mentioned above, is your company interested in philanthropic giving?

1 = Yes

2 = No

9 = Do not know/No answer

2.8 In general, how do you assess the situation of activities of the company?

1 = Good

4 = Weak

2 = Relatively good

5 = Very weak

3 = Average

9 = Do not know/No answer

PART 3: CHARITY ACTIVITIES

3.1 Does your company pay attention to charitable activities?

1 = Yes

2 = No

9 = Do not know/No answer

3.2 During the past 12 months, which of the following charitable activities did your company organize or participate in?

Charity activity	1 = Organized 2 = Did not organize	1 = Participated 2 = Did not participate
Disaster assistance (typhoons, floods, landslides,...)		
Accident assistance		
Assistance to the poor, people in difficulties		
Blood donation, illness assistance		
Assistance to the disabled, those affected by agent orange		
Bringing up disadvantaged children, orphans		
Religious charity, religion		
Other (write clearly) _____		

3.3 In the past twelve months did your company organize, provide charitable contributions to which organization? How much was donated (in cash and in kind)?

Receiving agents	Cash (VNĐ)	In kind, labor. CONVERTED (VNĐ)	Total (VNĐ)
Funds for the poor			
Independent funds			
Corporate funds			
Fatherland Front			
Agencies and authorities at different levels			

Receiving agents	Cash (VNĐ)	In kind, labor. CONVERTED (VNĐ)	Total (VNĐ)
Mass organizations at different levels			
Workplace			
Mass media, television			
Others (write clearly) _____			

3.4 Is the level of contribution high, medium or low compared to the turnover of your company?

1 = Very high

4 = Low

2 = High

5 = Very low

3 = Medium

9 = Do not know/No answer

3.5 How does that level of contribution affect the activities of your company?

1 = Affects a lot

4 = Does not affect it

2 = Affects moderately

9 = Do not know/No answer

3 = Affects little

3.6 Why did your company participate in charitable activities (Interviewer: select 03 options at most)?

1 = To express kindness

2 = To share difficulties with others

3 = To repay what has been received

4 = To have serenity for oneself

5 = To follow others in the surrounding area

6 = To be required to contribute charity

7 = Other reasons (write clearly) _____

9 = Do not know/No answer

3.7 In the above-mentioned charity activities, what is the main role of your company?
(Interviewer: select only 01 option)

- 1 = Hosted, organized
- 2 = Campaigned for others
- 3 = Participated
- 4 = Do not know
- 9 = Other role (write clearly) _____

3.8 According to you, are the charity activities and contributions by your company at present effective?

- 1 = Effective
- 2 = Relatively effective
- 3 = Not effective
- 4 = Not very effective
- 9 = Do not know/No answer

3.9 Are the charity activities of your company at present voluntary or not?

- 1 = Voluntary
- 2 = Not voluntary
- 9 = Do not know/No answer

3.10 Do you support **the way charitable contributions are current made**?

- 1 = Very supportive
- 2 = Relative supportive
- 3 = Not supportive
- 4 = Not very supportive
- 9 = Do not know/No answer

3.11 According to you, **what weaknesses** do charitable activities and contributions have at present? (Interviewer: select 03 at best)

- 1 = Not open, transparent and clear
- 2 = Not generating trust in contributors
- 3 = Not hitting the targets of charity beneficiaries
- 4 = Not conforming to the law and regulations
- 5 = Not good propaganda and campaigning

6 = Lack of resources for implementation
(manpower, material and financial resources)

9 = Do not know/No answer

3.12 To make charitable activities more effective, according to you, **what issues** need paying attention to? (*Interviewer: select 03 option at best, put serial numbers for priority*)

Issues need paying attention	Put serial numbers for priority
1 = Aims of doing charity	
2 = Ability to advocate	
3 = Forms of advocacy	
4 = Target/charity beneficiaries	
5 = Management capacity of individuals, organizations doing charitable work	
6 = Credibility of individuals, organizations doing charitable work	
7 = Other issues	
9 = Do not know/No answer	

3.13 Is the ability of local people to do charity high, average or low?

1 = High

2 = Average

3 = Low

9 = Do not know/No answer

3.14 According to you, should the form of charity contribution by people be in kind or in cash? (select 01 option)

1 = In kind

3 = In kind and in cash

2 = In cash

9 = Do not know/No answer

3.15 Are you willing to participate if there are charitable activities in the future?

1 = Very willing

4 = Not very willing

2 = Willing

9 = Do not know/No answer

3 = Not willing

3.16 Do you recommend any **forms of charity**?

0 = No recommendation

1 = Yes → What are the forms?:

.....

.....

.....

.....

With sincere thanks!

ANNEX B: STUDY OF CHARITABLE CAPACITY AND CHARITABLE CONTRIBUTIONS

Instruction for in-depth interviews with businesses

Interviewers Note:

- Introduce the aims of the study before the exchange of views and discussion
- Attempt to understand the corporate activities, scale and organization

A. Studying perceptions and attitudes toward philanthropic activities

1. What is your opinion of “charity” and “doing charity”?
2. How do you understand “corporate social responsibility”?
3. What do you think of current charitable activities?
4. Can you tell me about charitable agencies and organizations which have contacted your business regarding charitable activities?
5. Where are they? How do they know your company? What is the aim of the contact? What are the activities of these charitable agencies and organizations?

B. Understand the philanthropic giving of the company

1. Does your company organize charitable activities by itself? In what form?
2. What is the aim of these corporate charity activities? Why does your company organize these activities by itself? Who decides to do so?
3. Relating to the company’s expectations, what are the results of the charitable activities? Why?
4. Does your company often do charity? What is the level of participation? Compared to the corporate potential and scale, do you think this charitable activity is a lot or little? Why?
5. Apart from the above-said activities, what other philanthropy does your business participate in?
6. Who instigated those activities? By which individuals and organizations? Where are they located and how do they operate? How did they find out about your company?
7. What was the aim of those charity activities? Was that charitable contribution voluntary or forced? Why was the decision made to participate?
8. Did you assess which people were in need of assistance? Did you know through what channels the cash/in kind contributions reach targeted beneficiaries?

9. What was the level of charitable contribution from activities organized or participated in by your company in the past 12 months? Did that figure affect your company's regular activities?

10. Did those charitable activities face any particular difficulties? In what areas were those difficulties? (In terms of forms, information, resources, human resources ...).

11. Do you know any other companies which also participated in charitable activities with your company? Was that cooperation voluntary or arranged and directed by groups external to the company?

C. Corporate assessment of activities of charitable organizations

1. In general, do you think businesses should organize charitable activities on their own? Why or why not?

2. How do you assess current charitable activities taking place in society? Are charities necessary? Why or why not?

3. Did charitable activities and contributions to charities achieve their targets? Beside the charitable objectives, were those activities aimed at other goals?

4. Are corporate charitable activities effective? Do they overlap? Are they transparent? Why?

5. Why are a number of businesses not interested in launching activities calling for participation in charity? What are the main reasons? What do you think of this situation?

6. What is the responsibility and role of the State toward charitable activities currently undertaken by organizations? Concretely what are the positive and negative aspects of State activity?

D. Recommendations - proposals

1. What should be done to make corporate philanthropy more effective (broaden participation, focus charity on the right objectives and in conformity with the aspiration of charity givers and people)?

2. What is the role of the State in charitable activities in the business sector in the upcoming period?

3. What do you recommend to enhance the efficiency in corporate philanthropy in the community?

4. How do you view the participation of others (such as community organizations, non-government organizations ...) in charitable activities? What can be done to mobilize their participation in charitable activities?

5. Do you have any other ideas to contribute or anything to ask the research team?

With thanks!

ANNEX C: LIST OF REFERENCES

APPC. *Investing in Ourselves: Giving and Fundraising in Asia*, Asian Development Bank, (2002).

CECP. *Corporate Giving Standard: 2008 Corporate Philanthropy Survey*, www.corporatephilanthropy.org/cgs/Resources/blanksurvey.pdf.

Coady, Margaret. *Giving in Numbers: Corporate Giving Standard – Analysis of corporate philanthropy data from 136 leading companies*, edited by Committee Encouraging Corporate Philanthropy (2007).

Friedman, Milton. *Rethinking the Social Responsibility of Business* (10/2005), www.reason.com/news/show/118175.html.

Hartman, Laura Pincus and Denis Gordon Arnold, Richard E. Wokutch. *Rising above sweatshops: innovative approaches to global labor challenges*, Greenwood Publishing Group (2003)

Kinsey & Company. *The State of Corporate Philanthropy: A McKinsey Global Survey* (1/2008), www.mckinseyquarterly.com/PDFDownload.aspx?ar=2106.

LIN (Center for Community Development). *Corporate Philanthropy in Ho Chi Minh City: An update on the status of corporate giving in Vietnam based on interviews with 44 companies*, Ho Chi Minh City (December 2009).

National Volunteer & Philanthropy Centre. *The State of Giving: Inaugural Study of Singapore's Giving Landscape*, Singapore (2005).

National Volunteer & Philanthropy Centre. *Time, Talent & Treasure: Best Practices in Corporate Giving*, Singapore (2006).

Sidel, Mark. *Corporate Philanthropy in Viet Nam: initial data and initial problems, essay presented in North Viet Nam Now: Fiction and Essays from Hanoi*, edited by Dan Duffy (1996).

Sidel, Mark. *The emergence of a voluntary sector and philanthropy in Vietnam: functions, legal regulation and prospects for the future. Voluntas: International Journal of Voluntary and Nonprofit Organizations*, Springer Publishers, The Netherlands, Part 8, No. 3 (9/1997)

VUFO-NGO Resource Centre. *Vietnam Corporate Philanthropy* (1998).

Vietnam's Laws, *Corporate Taxation Law*; Directive 72/2008/TT-BTC dated 31 July 2008 Instruction for Implementation of Decree No. 64/2008/NĐ -CP dated 14 May 2008 by the Government on campaigning reception, distribution and use voluntary contribution sources to assist people to overcome hardships caused by disasters, fires, serious incidents and patients suffering fatal disease.

ARTICLES ON WEBSITES

Ho Chi Minh City organized the 5th solidarity walk for the poor. Website of the Vietnam Fatherland Front Committee, Ho Chi Minh City, 17 November 2009, www.ubmttq.hochiminhcity.gov.vn/web/tintuc/

New Year charity concert to raise funds. Saigon Giai phong, 31 December 2008, www.mytamfoundation.com.

Ngoc Thu. *Rewarding social values in development.* Saigon Times Online (December 2008). english.thesaigontimes.vn/ArticlePrint.aspx?ID=2452.

P. Dac – T. Huong. *Limited Company Sabeco supports people in the typhoon-hit areas 470 million VND.* Tuoi Tre, 15 October 2009.

Smith, Michael. *Classical concert to raise funds for needy kids' surgery.* Thanh Niên, 19 June 2009.

The fund receiving financial support from local enterprises, 28 June 2006. The total contribution to the La Education Fund is 160 million VND (10,000 USD) and 40 computers. www.csr-asia.com/index.php?page=3&cat=74.

The taxation policy expanded for charity. China Daily, 20 January 2007. <http://english.china.org.cn/english/government/196740.htm>