

CIVIL SOCIETY AND CORPORATE SOCIAL RESPONSIBILITY IN VIETNAM

Bridging The Gap



Supported by:



HANOI, MARCH 2013



CENTER FOR DEVELOPMENT
AND INTEGRATION

CIVIL SOCIETY AND CORPORATE SOCIAL RESPONSIBILITY IN VIETNAM

Bridging The Gap



HANOI, MARCH 2013

ACKNOWLEDGEMENTS

This paper reports on a mapping study of Vietnamese civil society. Its purpose is to support the involvement of Civil Society Organizations (CSOs) in the promotion and implementation of corporate social responsibility (CSR) and accountability in Vietnam. The study on which the paper is based - CSOs & CSR in Vietnam - was jointly conducted by BATIK International and the Centre for Development and Integration (CDI) (Trung tâm Phát triển và Hội nhập). The project aims to establish and strengthen the capacity of a network of CSOs engaged in promoting CSR in Vietnam. The project was financed by the Comité Français pour la Solidarité Internationale and took place within the thematic program dedicated to <Civil society and Participation> under the support of Agence Française de Développement.

We thank for the contribution of Isabelle Devaux, Stephanie Bénamozig and Youssef Laalami Ouali of BATIK International, Ngo Huong, Duong Viet Anh, Nghiem Kim Hoa of CDI for the participation in the study. Dr. Peter Murphy and Mrs Laurence Beierlein for their inputs and editorial work in this report.

TABLE OF CONTENTS

Acknowledgements.....	1
Abbreviations.....	4
Executive Summary.....	5
PART I: INTRODUCTION.....	7
1.1. Background.....	8
1.2. Objectives of the study.....	9
1.3. Research questions.....	10
1.4. Methodology.....	11
PART II: CIVIL SOCIETY AND CORPORATE SOCIAL RESPONSIBILITY IN VIETNAM....	13
2.1. Civil society in Vietnam.....	14
2.2. Defining civil society in Vietnam.....	15
2.3. Civil society and the Vietnamese state.....	17
2.4. Defining CSR.....	19
2.5. CSR perception and practice in Vietnam.....	21
PART III: RESEARCH RESULTS: CSO PRACTICES ON CSR.....	23
3.1. CSO engagement in CSR.....	24
3.1.1. Overview and main features of reviewed CSOs.....	24
3.1.2. CSOs' perceptions of CSR.....	26
3.1.3. Dynamics of CSOs working in CSR.....	27
3.1.4. Vietnamese CSO engagement with business and CSR.....	28
3.2. CSO involvement in networks.....	32
3.2.1. Overview of existing networks.....	32

3.2.2. Attitudes to a CSR - CSO network.....	33
3.3. Strategy of CSOs towards CSR?.....	33
3.3.1. Vietnamese NGO relationships with business sector.....	33
CONCLUSION. BRIDGING THE GAP BETWEEN CSOs AND CSR.....	39
APPENDIX.....	43
APPENDIX 1. Guidelines for semi-structured interviews.....	44
APPENDIX 2. Organizations included in the study.....	47
APPENDIX 3. Regulatory framework for civil society organizations in Vietnam.....	49
APPENDIX 4. Minutes of CSO/CSR meeting in VUFO NGO Resource Centre.....	51
APPENDIX 5. Terms of Reference CSO/CSR working group.....	53
Bibliography.....	55

ABBREVIATIONS

AmCham	American Chamber of Commerce
CBO	Community Based Organization
CIFPEN	Civil Society Inclusion in Food security and Poverty Elimination Network
CSO	Civil Society Organizations
CSR	Corporate Social Responsibility
DMWG	Disaster Management Working Group
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GENCOMNET	Gender and Community Development Network
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
ILO	International Labour Organization
INGO	International Non Governmental Organizations
LEFASO	Leather and Footwear Association
MFWG	Vietnam Microfinance Working Group
MNC	Multinational Corporation
NILP	National Institute of labor safety and protection
TNC	Transnational Corporation
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
UNIDO	United Nations Industrial Development Organization
VAPEC	Vietnam Asia-Pacific Economic Center
VCCI	Vietnam Chamber of Commerce and Industry
VITAS	Vietnam Textile and Garment Association
VNGO	The Vietnamese Non-governmental Organization Group
VNGO	Vietnam Non Governmental Organizations
VNWP	Vietnam Water Partnership
VRN	Vietnam Network on Rivers and Sustainable Development
WTO	World Trade Organization

Executive Summary

This paper is based on the presumption that Civil Society Organizations (CSOs) operating in Vietnam have the potential to engage with private and state-owned businesses to promote corporate accountability practice that align with state law and community interests. Such practices are generally covered by the rubric of Corporate Social Responsibility (CSR). Whilst there are known cases of CSOs involvement in CSR there is no systematic knowledge of the relationship between CSOs and CSR and the forms that it takes. Nor is the potential, and potential interest, of CSOs in working in this field understood. BATIK International and the Center for Development and Integration (CDI) collaborated to address these gaps in knowledge and to develop resources to enhance the capacity of CSOs to play stronger roles in promoting CSR.

The paper is in four parts. The first introduces the project, its research questions and methodology. In the second part, the terms CSOs and CSR are defined and discussed their in the Vietnamese and international contexts. The third part of the paper presents the results of the research into CSO practices in relation to CSR in Vietnam. The conclusion considers pathways towards improved CSO involvement in CSR.

There are two broad conclusions. First, based on the sample of CSOs included in the study, plus qualitative opinions from the CSO sector more broadly, there has to date been minimal engagement in CSR and only limited understanding of its objectives and practices in Vietnam. Yet some NGOs are engaged in work related to CSR but do not identify it as such. Second, following from the first conclusion, there is little understanding of the potential for CSOs to get involved in promoting the uptake of CSR in the business sector, little understanding from the CSOs themselves as well as from the other stakeholders. BATIK International and CDI are of the opinion that this gap can and should be bridged. It should be bridged for two reasons. First, because CSR requires a “sea change” in corporate attitudes to dealing constructively with host communities and their environments. By virtue of the types of work that they do CSOs are especially well placed to promote change. Second, as seen in other countries, CSOs engagement in CSR can bring added value and other answers and supports to needs or problems identified within the scope of CSR issues, different than those provided by “traditional actors” in the field of CSR such as International organizations, governmental authorities or consultants. CSOs in Vietnam may and must become a key stakeholder in the field.

Part I

INTRODUCTION



1.1. BACKGROUND

Since the Doi Moi reforms of 1986, Vietnam has experienced a rapid economic growth in the range of 6% to 8% GDP annually. As a consequence the nation was re-classified as “middle-income” in 2009. Vietnam’s accession to membership in the World Trade Organization (WTO) and in an increasing number of regional and international institutions accelerated the process of global economic integration. This economic opening has deepened the nation’s exposure to the positive (and negative) impacts of globalisation. The economy benefitted from more than 65 million USD of FDI by 2010, accounting for over 66% of GDP¹. In global supply chains, however, Vietnam generally remains at the lowest levels where production methods are the least sophisticated and minimally value-adding. Rapid development has given rise to significant challenges. Inflation has recently been very high - 23% in 2008 and 18% in 2011². Risks over the coming years, as identified in a study by UNDP and the Vietnam Government, include “problems of global scarcities in food and energy supplies and the impact of climate change on development; the shifting distribution of economic power blocs; the shift towards a development model that ensures the optimal mix of economic progress, social improvement and environmental sustainability; and the appropriate role of

the State in facilitating socio-economic development”³.

In this context, the notion of corporate social responsibility (CSR) has been of growing interest within the business sector and wider society. A number of initiatives were introduced in Vietnam by multinational companies and their supply chains through their codes of conduct. Examples are those of Adidas, Nike and Bata. Furthermore, USA standard SA8000 has been applied in textile companies exporting to the US market. Most of these CSR practices were initiated by the business sector, either by individual companies or business associations such as the Vietnam Chamber of Commerce and Industry (VCCI), Leather Producers (LEFASO) and the Federation of Professional Textile Manufacturers (VITAS). Employee representation is institutionalized through the Federation of Labor Unions, the only official organization for workers, and in effect an arm of the government. International donors, such as UNIDO, ILO, UNDP, the Global Compact, and bilateral agencies such as DANIDA and GTZ, also play an important role in providing technical and financial resources to promote CSR, mostly through working directly with the business sector.

Overall, it seems that civil society organizations (CSOs), especially Vietnamese non-governmental organizations (VNGOs), are under-represented in promoting and

¹ UN Conference on Trade and Development, World Investment Report 2011.

² Vietnam Ministry of Planning and Investment .

³ UNDP and MPI (2010). Managing Risks and Attaining Equitable Growth

implementing CSR practices. A preliminary screening by BATIK International in 2010 identified only one VNGO working in this field. International NGOs (INGOs), such as Oxfam, Action Aid and CARE Australia, have been promoting CSR but will be withdrawing from Vietnam in the near future since international funding is targeting less developed economies. The business sector has also collaborated with local organizations - e.g. the small grant program for VNGOs by AmCham - but such initiatives have mostly been charity-based rather than engaging with NGOs at a strategic level. Because the majority of NGOs in Vietnam have a background in rural development and poverty reduction, targeting the business sector, especially in promoting CSR, is still new territory. This is even the case for NGOs engaged in work related to CSR, such as labor issues, environmental protection and support for small rural enterprises. CSR is, therefore, a field where issues are fast increasing and with high potential for NGOs to get involved. In a first stage, in order to assist NGOs, especially VNGOs, to identify and grasp opportunities, it is crucial to identify those currently working in CSR and to define the characteristics of their work and pathways for further involvement.

CSOs have several reasons for being involved with CSR, we will stress here four of them we believe could be major drivers for developing sustainability practices in Vietnam. First, they could be in a position to lobby companies to develop business models that add to financial bottom lines whilst at the same time improving the welfare of Vietnamese citizens who are not necessarily employees or customers. Second, being neither business nor state actors, NGOs may bring added value to CSR strategies and clearly act differently

than traditional actors. Third, by working with businesses CSOs stand to develop networks that might enhance the range of projects that they undertake and improve their visibility and authenticity in the wider community. Moreover CSOs would have a wider access to funding through partnering with businesses, and consolidating their financial base would help improving the quality of the services that they can provide.

This paper is presented in three parts. The first part introduces the study. The second part discusses CSR and CSOs. The third part presents research results. The conclusion canvasses options for enhancing the capacity of CSOs to engage with CSR.

1.2. OBJECTIVES OF THE STUDY

The study on which this paper is based aimed to map CSO, in particular VNGO, involvement in activities related to CSR. This information will form the basis for identifying strategies to enable CSOs to be recognized as a legitimate actor and play a more active role in promoting and implementing CSR practices through enhanced collaboration with the state and business sectors.

The specific objectives of the study were:

- To identify CSOs having the potential to lead activities strengthening CSR and to get engaged in a network promoting CSR in Vietnam.
- To understand the role of CSOs in this field and their relationship with state and business sectors in order to:
 - Identify obstacles to CSOs working on CSR in Vietnam.

- Assess the operational capacity of CSOs to work in CSR.
- Strengthen networking capacities of CSOs around CSR.
- To identify needs for capacity building, particularly on CSR implementation.

1.3. RESEARCH QUESTIONS

In pursuit of these objectives, the study addressed the following set of questions:

- 1) Characteristics of CSOs in the Vietnamese context
 - a) General identification of CSOs and their understanding of CSR
 - What types of NGOs/CSOs exist in Vietnam? What is the legal framework for CSOs in Vietnam?
 - How do NGOs see their roles as advocacy oriented vs. development oriented?
 - What are understandings about CSOs and CSR?
 - What are their main sources of funding?
 - b) CSOs' relationships with the state:
 - How do CSOs view the state's role and obligations on CSR?
 - Do CSOs feel recognized by the state?
 - How do these perceptions affect CSOs ability to work on CSR?
 - What obstacles are there in maintaining CSO relationships with state agencies?
 - c) CSOs' views of and relationships with business entities:
 - How do CSOs see the roles and obligations of businesses?
 - Do CSOs feel recognized by the business sector?
 - What do CSOs expect of business entities on CSR?
 - How do these considerations affect the capacity and motivation of CSOs to work on CSR?
 - What other obstacles arise in maintaining CSO relationships with the business sector?
- 2) Potentiality for CSOs working on CSR:
 - c) CSOs and CSR in Vietnam
 - What are the dynamics of CSR work for Vietnamese NGOs?
 - Which VNGOs/CSOs are working on CSR issues?
 - What themes/issues do CSOs work on?
 - What kind of networks do CSOs participate in? What are the benefits of networking for CSOs working on CSR?
 - Can CSOs talk about CSR issues in public forums? What other means of communication are possible?
 - What are the challenges of CSR implementation/operations?
 - What are CSOs' current strategies and practices related to CSR, if any?

b) Areas of improvement for CSOs working in the field of CSR:

- What are CSOs' expertise fields?
- What can CSOs/NGOs do to better address CSR issues in Vietnam?
- What are their needs in terms of capacity building, particularly on CSR issues and implementation of CSR-related laws, guidelines, principles, code of conducts?
- What can CSOs do to engage in public discourse on CSR, including holding corporations accountable on labor and environmental standards?
- What kind of CSO network can be established to strengthen their capacity? Under what conditions will CSOs work in CSR networks?

1.4. METHODOLOGY

The very first step in the study was to identify organizations working in CSR. It turned out difficult to clearly define the scope of organizations to meet. CSR is a wide concept and many organizations carrying out activities with social or environmental dimension work on CSR-related areas. Finally a sample of 23 organizations out of around 600 CSOs, NGOs and CBOs working in Vietnam, were included in the study. The scope of CSOs to be included was defined as: (i) Vietnamese as well as foreign NGOs and related entities; (ii) active in Vietnam in the development field and providing services to businesses or other targets; (iii) based in Hanoi or Ho Chi Minh city. A preliminary review of eligible organizations' backgrounds and profiles was made using websearch and through

the existing CSO informal networks of CDI and BATIK International.

The second step in the study was to gather information directly from CSOs, based on questionnaires (Appendix 1) and semi-structured interviews. A three-part questionnaire was developed from the study's conceptual framework. The first part focused on organizational history and activities. The second gathered information on interactions with the private sector through the CSR framework with respect to the nature of relationships and issues addressed, type of strategies and actions employed. The third part dealt with involvement in existing networks and the extent to which organizations are prepared to get involved in CSR/CSO networks.

The third stage of the study was a stakeholder analysis conducted with selected resource organizations. The objective of this stage was to understand CSOs' methods of intervention and to identify major initiatives, given the actions of CSOs and potential gains with respect to actions taken by this group of actors. Stakeholders included business and professional association, such as LEFASO and VITAS, and international organizations working in CSR (e.g. UNIDO, ILO [Better Work Programme and Fair Labor Project], GIZ, Oxfam, CARE, Asia Foundation). Other Vietnamese umbrella organizations, including, VUSTA, VUFO NGO Resource Center, were also consulted (Appendix 2). Other institutions that work on development but are registered as businesses such as Chemonics International, was also included in the study. Chemonics international is an international consulting corporation. It has been implementing a project in Vietnam (funded by USAID) dealing with the issues of HIV in the workplace (discrimination,

Occupational Health and Safety...). For this reason and in spite of its status, Chemonics has been interviewed.

Interviews were conducted between March 2012 and July 2012 jointly by researchers from BATIK International and CDI. Sixteen Vietnamese CSOs were included and seven International Civil Society Organizations (Appendix 2).

In the fourth step of the study group discussions were facilitated with CSOs identified as having the potential to work on CSR. Initial network meetings assessed the capacity and interest of CSOs to work on CSR. Subsequently network meetings dealt with strategy of the network and training needs. Network meetings were conducted between May and October 2012.

Part II

**CIVIL SOCIETY AND
CORPORATE SOCIAL RESPONSIBILITY
IN VIETNAM**



Civil society and corporate social responsibility in Vietnam

This chapter is based on a literature review and an analysis of the current Vietnamese context in which CSOs operate to provide an overview of the context of CSOs in CSR in Vietnam. The chapter also analyses the relationship between CSOs and the state and business sectors in the area of CSR to open for further discussion in the following parts.

2.1. CIVIL SOCIETY IN VIETNAM

In 2012 the ruling Communist Party Congress reasserted Vietnam's approach to a state-led development. Today, economic performance rather than historical nationalist credentials have become increasingly important in the equation that determines popular perceptions of political legitimacy. The policy shifts associated with *Doi Moi* - and the political construct of the "socialist-oriented market economy" have become established.

Recent years have seen domestic markets for products and services burgeon as the point of economic "take off" has been attained. This has resulted from the spending power of an expanding growing urban middle class. Simultaneously people are becoming more demanding and socially aware. Governance reform has made the greatest progress in those areas where a constituency has existed and been empowered to push for progress⁴. Because

typically such constituencies (e.g. organized labour, environmental movements, anti-corruption struggles) have more political power to leverage such developments, they have played critical roles in pushing for social change, especially when in forming alliances with farmers, the landless, victims of dispossession and the media.

Legislative environment

Article 69 of the 1992 Constitution of the Socialist Republic of Vietnam says that "Citizens have the rights to exercise freedom of speech, freedom of the press, the rights to be informed, freedom of assembly and association, and freedom of demonstration under the law".

It has been over a decade since the Vietnamese government created a variety of legal paths to establish non-profit organizations, yet all are embedded in and somehow subordinated to a state body. There is no specific law yet in Vietnam for associations in spite of some tentative moves made in early 2005. That is why usually, most organizations that seek legal recognition have to work under existing regulations and choose amongst the various existing frameworks. It is necessary to study the different ways to establish a CSO in order to have a better understanding of their obligations as well as their leeway in operation.

⁴ Vietnam Development Report, Modern institutions (2010), 133.

There is a patchwork of different regulations setting out paths for establishment of “social” (not-for-profit) associations (Appendix 3). CSOs nevertheless still operate in an outdated legal environment and the Law on Associations presently under discussion looks to be undecided on a number of issues that could have led to an improved environment.

The common feature is that to establish a civil society organization, the approval of one of the various state’s bodies is required. The main criterion to obtain approval is to show to what extent an organization will contribute to achieving the objectives of the relevant state body.

Civil society organizations (CSOs) are governed by more restrictive regulations (Decree 71 in 2004 and 97 in 2008⁵), with some tightening also of the regulations for INGOs. The draft Law on Associations has been shelved up to now. Decree 88 (Organization, Activities and Management of Associations, 2003), and its revision as Decree 45 (July 2010), together with the formation of the Ministry of Home Affairs, resulted in large numbers of new organizations being formed, both officially and operating informally without official sanction. Decree 81 relates to associations and science and technology organizations.

The revised Decree on Associations (Decree 45, 2010) maintains a complex,

time consuming and sometimes even unsuccessful, approval process for registration applications. Some local and international commentators have suggested that it seems to increase government control of associations. Decree 45 also seems to create a new level of hierarchy with mass organizations at the top, then umbrella associations such as VUSTA given special privileges to provide comment and feedback to government, and other CSOs allowed to participate in government programs, consultations and so forth only at the request of government (Sidel, 2010: 8-10)⁶.

2.2. DEFINING CIVIL SOCIETY IN VIETNAM

UNDP defines civil society as a third sector existing alongside and interacting with the state and private industry. UNDP takes a broad view of Civil Society Organizations (CSOs) of which non-governmental organizations are an important part, and recognizes that in practice civil society is an arena of both collaboration and contention⁷.

Civil society in Vietnam can be segmented into various organizations with different functions. They may include: (1) mass organizations under (and including) the Fatherland Front⁸; (2) umbrella organizations under the Fatherland Front⁹;

⁵ Decision 71 (2004) strictly prohibits “taking advantage of the web to disrupt social order and safety” or breach Vietnam’s “fine customs and traditions”. Government Decree 97 (2008) provides for punishments against those who disseminate information deemed “hostile” to the government (see 13, 13).

⁶ Sidel, M (2010). Maintaining Firm Control: recent development in nonprofit law and regulation in Vietnam, the International Journal of Not-for-Profit law, Vol. 12, No. 3, May 2010.

⁷ UNDP and Civil Society Organizations: A Practice Note on Engagement (2001), p.1 <http://www.undp.org/cso/resource/policies/UNDPCSOPolicy.doc>.

⁸ These include The Vietnam Women’s Union, Vietnam General Confederation of Labor (Trade Union), the Veterans Association, Farmers/Peasants Association, the Ho Chi Minh Youth Union and the Fatherland Front.

⁹ VUSTA, the Vietnam Writers and Artists Association (VWAA), Vietnam Union of Friendship Organizations (VUFO), Vietnam Red Cross, Vietnam Cooperative Alliance, etc. which are regulated by Decree 81 and Decree 88/45 and have dual state management functions.

(3) professional associations¹⁰; (4) VNGOs (also called Science & Technology organizations registered Decree 81 of 2002); (5) informal groups; (6) faith-based organizations; and (7) INGOs¹¹.

Seventy four percent of Vietnamese are members of at least one organization, 62% are members of more than one CSO and, on average, citizens are members of 2.3 organizations¹².

The Asia Foundation in 2008 stated that “CSOs are commonly characterized as organizations that operate according to the principles of volunteerism, self-determination, and financial independence, function outside of the State arena and non-profit”¹³.

These distinctions are out of touch with reality especially in the Vietnamese context. Considering civil society as being “outside” or “alongside” the state does not fit with state ideology in spite of reforms that aim to incorporate the concept of civil society:

Theoretical socialism in its purest form employs a form of direct democracy in which there is no State independent of the people. While socialism has retreated as a state organizing vision in most of the world, it still forms the basis of the thinking of the Vietnamese leadership. Yet it is important

to remember that when the people’s rule is invoked in Vietnam, what it is meant is the need for a broad class-based movement led by the Communist Party, not that the people can be trusted to manage things themselves independently from the Party¹⁴.

Research by CIVICUS¹⁵ in 2006 concluded that civil society is operating in a slightly disabling environment and has a structure of limited strength. Civil society practices and promotes positive values to a moderate extent and its impact on society at large is relatively limited. Notably, the values dimension of civil society is the strongest and the impact dimension the weakest¹⁶. Analysis of civil society’s “structure” shows that there is a rather large civil society in Vietnam. However, while it is rather large it is of relatively shallow depth and vibrancy. Whereas civil society is defined by CIVICUS as “the arena outside of the family, the state and the market, where people associate to advance common interests”¹⁷ civil society organizations can be identified as entities that operate in this space. The CIVICUS definition also suggests that civil society “membership” is “functional” rather than “organizational”. This permits a working definition of NGOs in the context of Vietnam wherein the “distance” between civil society and other sectors is “fuzzy”, in particular the relationship between NGOs and government. By this definition, apart

¹¹ This group include about 870 INGOs and register with People’s Aid Coordinating Committee (PACCOM) under Regulation 340 and Decree 93 with special regulation on utilization of foreign non-government aid in Vietnam.

¹² CIVICUS, *The emerging civil society* (2006), 10-11.

¹³ “training needs assessment of civil society organizations in Vietnam” The Asia Foundation; 2008.

¹⁴ “Deepening democracy an increasing public participation in Vietnam” UNDP and VASS (Vietnam Academy of Social Science) 2006.

¹⁵ The CIVICUS (World Alliance for Citizen Participation) consists of a group of people and organizations from around the world dedicated to strengthening civil society and citizen action.

¹⁶ CIVICUS, *The emerging civil society* (2006), 9.

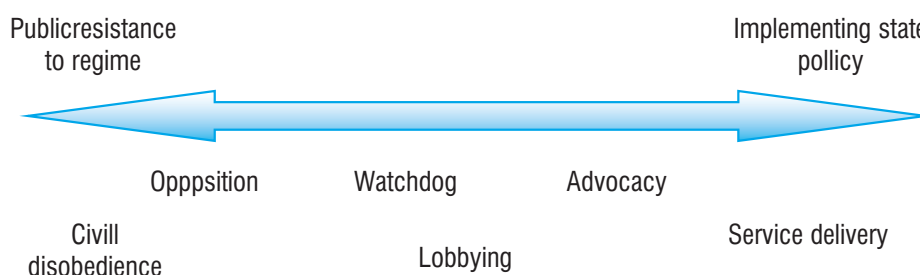
¹⁷ *Filling the gap, the emerging civil society in Vietnam*. CIVICUS, Irene Norlund, January 2007.

from organizations publicly identifying themselves as NGOs, a few organizations with relevant activities can be defined as suitable for mapping in the current study; an example could be, a centre working on legal aid for workers registered under a provincial labor union. While a provincial labor union is considered as being a “government-controlled” organization, it may in fact operate relatively independently from the parent union and so can be considered as a CSO. This flexible approach allows more scope for selection of organizations included in the study and the future network, given that it was foreseen that

the incidence of Vietnamese NGOs working directly in CSR is relatively rare.

Hannah’s (2007)¹⁸ very useful schema (Fig. 1) positions the range of civil society activities in which CSOs may work. In Vietnam civil disobedience and active opposition to the current political regime are proscribed. From a western perspective, ties between civil society and the state are seen as a denial of the fundamental nature of civil society, contradicting its role as a buffering force against the excess of public sector. Nevertheless that is the context, inherited from the socialist era, within which CSOs must operate in Vietnam.

Figure 1. Spectrum of civil society action



2.3. CIVIL SOCIETY AND THE VIETNAMESE STATE

Apart from legal frameworks presented above, other frameworks allow civil society to function to increase the rights and autonomy of associations and widen opportunities at lower levels for people’s voices to be heard by state institutions. They are for instance the Grassroots Democracy Decree, Law on Complaints and Petitions of Citizens. Overall, the roles of civil society are viewed with four main forms of engagement with the state.

These are: delivering services; channeling citizen’s voices to authorities; monitoring officials and holding them accountable; and involvement in policy and law making¹⁹.

So far, most CSOs are active in service delivery, which includes carrying out state programs and providing services that the state has not initiated or implemented. Recently, civil society has increased its capacity to channel the views and concerns of their organizations’ members to public officials; transmit people’s voices; conduct policy research and advocacy and; monitor government’s work. While public

¹⁸ Hannah (2007) Local Non-government Organization in Vietnam : Development, Civil Society and State-Society Relations.
¹⁹ DFID, Embassy of Finland. Forms of Engagement between state agencies and civil society organizations in Vietnam, December 2008.

media is growing fast, which facilitates freedom of expression of civil society and citizens, a recent statement by the Prime Minister (January, 2011) shows tightened restrictions on press freedom, particularly online communications. It is not yet clear whether the government will wind back opportunities for CSO participation.

The low level of civil society development in Vietnam limits its work on human rights issues, including labor and environmental rights, because the state does not fully recognise the role of CSOs as servants of the public interest. Instead it limits their roles to community work and philanthropic activities. Partnerships between business and civil society are yet to be fully established and there is fear of conflicts and thus negative impacts on business. Moreover, a legal framework has not been created to protect human rights even within the public and private spheres²⁰.

Vietnamese civil society remains dominated by organizations that maintain close ties to the state. Mass organizations offer broad-based participation by citizens and carry social-feedback functions. Their dual function (toward the Party and Government and toward their members) in general inhibits a bolder and more critical positioning. They typically will not challenge government policies. The Farmers and Labor Unions,

in particular, need to develop a more activist way of working and representation appropriate to a market-based economy. Often, as one moves closer to the people, willingness to promote change at their level increases as people are confronted with the realities (and failures) of policies. Old style approaches - applied in former state-owned enterprises and government administration - have proven to be highly ineffective in the private sector. The Leninist approach to a one-and-only representative and legitimate body is inhibiting access by workers (both inside and outside factories and offices) so that wildcat strikes happen on which the official labor union is difficult to control.

To sum up, Vietnamese constituents of civil society, including mass organizations, industrial and business associations and other registered NGOs grow in number and are being treated more openly in the national legal framework²¹. In reality, however, these entities are not strong in oversight roles or in reporting on CSR issues, especially those bearing on corruption and accountability and the obligations of the state in relation to identifying and punishing corporate bad behavior. Many CSR issues associated with investment transparency, tax and corruption are often seen as politically sensitive when voiced by CSOs. In addition, they retain little knowledge about international rules and standards and production requirements

²⁰ Vietnam has not ratified the ILO convention on freedom of association and collective bargaining, together with related human rights. In domestic law, collective bargaining, as a key labor rights, has been limited under the hands of Trade Unions, the only recognised organization through which workers can organise strikes or any bargaining on their rights. Environmental law appears on paper to be comprehensive and thus poses challenges for enforcement, especially to local businesses. Environmental protection is more challenged when local authorities provide incentives and promotions such as on corporate taxes, land clearance and natural resources to attract investments to generate local revenues with little concern on cost to reduce pollution and other social compensation costs. Even Vietnam Government encourage the implementation of UN Global Compact, but it is used as a tool for business to be more recognized in their public relation. (the Vietnam Global Compact Network Project was supported by UN and managed by Vietnam Chamber of Commerce from 2007-2011).

²¹ Ministry of Home Affairs statistics show by 2008, 400 national associations and about 6000 provincial associations have registered.

so they have constraints in providing advice to SMEs to increase more CSR-oriented management consistent with requirements of international markets. Media is more challenged by the legal system but, even given the Anti-Corruption Law, the traditions of being an “arm of the state” to promote state goals limits press freedom and its role of whistle blowing or reporting on corruption or bad corporate behavior involving state officials (Vietnam Development Report 2010).

2.4. DEFINING CSR

The Green Paper published by the European Commission in 2001 offered this definition of CSR, in the European context, as a voluntary contribution by businesses that are committed without being constrained by government regulations or laws: CSR is described “as a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.” Companies thus commit to doing better than they are required to do by the existing regulatory framework, provided that governments are strong stakeholders in assuring compliance. In this case third parties, such as NGOs, the public and consumers can encourage or assist companies in implementing their CSR policies as well as generate pressure to legislate and to make binding and controllable what was previously a voluntary approach. In Vietnam, however, holding businesses responsible for compliance with the legal framework is likely still a challenge for promoting CSR.

A more recent definition of CSR, provided by the EU in a communication from the Commission to the European Parliament²² in October 2011, goes further than the earlier wording:

Respect for applicable legislation... is a prerequisite for meeting corporate social responsibility, enterprises should have in place a process to integrate social, environmental, ethical, human rights and consumer concerns into their business operations and core strategy in close collaboration with their stakeholders, with the aim of:

- maximizing the creation of shared value for their owners/shareholders and for their other stakeholders and society at large;
- Identifying, preventing and mitigating their possible adverse impacts.

In contrast, in the USA, CSR has been defined more in terms of a philanthropic model: CSR is about business giving back to society. Companies make profits, unhindered except in fulfilling their duty to pay taxes. They then donate a share of profits to charitable causes. It is seen as inappropriate for a company to receive any benefit from giving except in the case of cause-related marketing.

Comparing the two approaches, the European model of CSR is much more focused on operating the core business in a socially responsible way, complemented by investment in communities for sound business-case reasons. This model

²² Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. *A renewed EU strategy, 2011-2014, for Corporate Social Responsibility*. COM(2011) 681 final. 25.10.2011.

is more sustainable because social responsibility becomes an integral part of the wealth creation process that, if managed effectively, should enhance the competitiveness of business and maximize the value of wealth creation to society.

CSR is conventionally based on instruments such as voluntary codes of conduct regarding the implementation of environmentally, ethically and socially responsible practices as elements of business strategy. Concerns and questions have, however, arisen in global debates about human rights violations, unfair labour practices, and the social and environmental destruction that are by-products of the development process. Proponents of CSR thus call for more explicit understandings and interpretations of CSR and human rights in businesses and on the role of businesses in development aid and alleviating poverty.

A recent definition, in ISO-26000: 2010, is more comprehensive:

Social responsibility is the responsibility of an organization for the impacts of its decisions and activities on society and the environment, through transparent and ethical behavior that contributes to sustainable development, including health and the welfare of society; takes into account the expectations of stakeholders; is in compliance with applicable law and consistent with international norms of behavior; and is integrated throughout the organization and practiced in its relationships within its sphere of influence²³.

From this definition, seven core foci for the scope and practice of CSR are identified in the ISO 26000 guidelines: corporate

governance; human rights; labor practices; environment; operating practices; consumer issues; and community involvement and development. Corporate practices in these areas should follow principles of accountability, transparency, ethical behavior, respect for stakeholders' interests, respect for the rule of law, respect for international norms of behavior and respect for human rights. It is also noted that the definition of the seven sets of core issues can be relative, since topics such as health and safety, or respect for human rights, can be relevant at different levels. ISO-FDIS 26000: 2010 provides a rigorous framework with specific themes and actions useful for identifying NGOs' areas of work and intervention.

In Vietnam, the World Bank Group (2003) defined CSR as "[t]he commitment of business to contribute to sustainable economic development working with employees, their families, the local community, and society at large to improve their quality of life, in ways that are both good for business and good for development"²⁴. CSR is perceived as including humanitarian and charitable gestures. It is also based on satisfying customer demands in terms of quantity and quality of products and services as well as timeframes for delivery. The World Bank further understands CSR as a certification process, i.e. SA 8000 or equivalent. CSR is also understood from a "brand protection" perspective, which requires safeguarding the quality of life of workers, whilst stabilizing and developing production.

Human rights, as they may be embodied in international CSR practices, relate to the

²³ International Standards Organization. Adapted from ISO - FDIS 26000:2010.

²⁴ Strengthening Implementation of CSR in Global Supply Chains Oct 2003, World Bank Group.

implementation of workers' rights, including freedom of association (especially to form independent labour unions), freedom of expression and collective bargaining (there is currently only one trade union and limited means to negotiate in established industrial relations). In the context of Vietnam, human rights concern the responsibility of companies and private sector to protect the rights of workers and to avoid committing or being complicit of abuses. This means that all firms should adhere to CSR and international norms on human rights with regard to labor and environmental rights (Global Compact Network Vietnam, 2010a).

2.5. CSR PERCEPTION AND PRACTICE IN VIETNAM

Engagement with CSR varies between sectors. Industries that tend to comply with Transnational Corporations (TNCs) international buyers' Codes of Conduct (CoCs) are footwear, leather, textiles, garment, electronics and extractive industries. CSR concerns in these sectors include working conditions, safety and environmental protection.

Leather and Footwear sectors are leaders in CSR and Vietnam's second largest source of export income, accounting for 21% of GDP and about 6.4 million workers, and revenue from export reached USD 6.09 billion in 2010. These sectors have been facing stringent rules of trade agreements under WTO and EU on environmental and labor requirements and so have been early adopters of CSR initiatives. They had to improve their competitiveness but

also meet international labor, social and environment standards (Vietnam Global Compact Network 2010b).

Food processing employs around 4.5 million workers²⁵. The sector includes global TNCs, notably Unilever, Nestle, San Miguel and Proctor & Gamble. Vietnamese SMEs also participate strongly in this sector, mainly in aquaculture processing, beverage and vegetable processing. Recently, several prominent cases in this sector, involving Vedan and San Miguel in huge waste water scandals, have concerned pollution to community living areas and have been the focus of attention for human rights and other environmental concerns²⁶

Extractive industries, including mining, oil and gas, have strong CSR concerns. They involve about 1.7 million workers, and contribute up to 17.5% of export revenue (2007). They mainly include state-owned companies and some FDIs such as Petro Vietnam, Vietsopetro, Petronas, Chevron and Conoco Philips. This sector receives strong public attention on environmental and transparency issues that call for a strong CSR agenda as a hedge against business risk.

The electronics industry is the second largest source of exports from Vietnam with large producers, including Canon, Samsung, Pentax and Foxconn, employing a quarter of a million people workers in about 500 companies. About 90% of workers are female and about 70% are domestic migrant workers. Vietnam, in its rapid economic growth and global integration processes, is

²⁵ General Statistic Office 2007.

²⁶ The Vedan case was widely covered by Vietnamese media. The case was heard by the court and a ruling was made for reparation penalties for the affected community. Further reference on newspaper online: <http://vietnamnews.vn/agency.com.vn/Environment/202178/settlement-talks-continue-in-vedan-pollution-case.html>.

identified as one of six “social hot spots”²⁷ in the global electronics sector. Recent research²⁸ shows that workers in this sector are exposed to industrial toxic chemicals causing potential health risks especially reproductive health. In addition, employees often have to work excessive overtime and many are employed on precarious short-term contracts. Workers are not well protected because most companies do not support the exercise of the right of workers to act collectively. Workers face risks and violations in several areas, most significantly in their rights to health, decent work, fair wages, and the right to freedom of association.

The business sector, should play a more important role in protecting human rights and should expand its obligations in protecting,

promoting and providing remedies for violations of human rights in Vietnam as well as in other countries. There are clear pathways to improving business conduct in relation to human rights obligations. But they require a legal framework at the global level with enforcement and judicial functions, an active civil society with the capacity to monitor violations, and engagement of the media to provide the general public with needed information.

Calls for a legal framework to support the implementation of CSR have been made for at least a decade. Despite the advocacy of civil society and international organizations, however, the response from governments was minimal before the recently adopted UN Guiding Principles²⁹.

²⁷ The Social Hot Spots Database (<http://socialhotspot.org>) monitors countries that are most at risk of human rights violations and the presence of related social issues in different industries. Vietnam is listed in the area of Electronics and Computing Machinery Manufacturing as the second most critical ‘social hot spot’, after Indonesia, and followed by the Philippines, Thailand, India and China as reported at the Roundtable on Social Impacts of the Electronic Sector hosted by the Center for Responsible Business (University of California Berkeley, January 31st - February 1st, 2012, full access at http://responsiblebusiness.haas.berkeley.edu/documents/presentations/roundtableelectronics2012/Roundtable_Summary_Final%5B1%5D.pdf).

²⁸ Based on a number of surveys and studies on the electronics industry including:

Better Work. 08/2010. The Electronics Feasibility Study. Full access at <http://www.betterwork.org/EN/Publications/Documents/Better%20Work%20Electronics%20Feasibility%20Stu20Executive%20Summary.pdf>.

MakeITFair. 11/2011. Out of Focus. Labour Rights in the Vietnam’s digital camera factories. Full access at <http://makeitfair.org/en/the-facts/news/reports/out-of-focus>.

And CDI’s observations through working with workers in six industrial zones in Vietnam during 2010 - 2012. http://www.ngocentre.org.vn/webfm_send/3260 / http://www.ngocentre.org.vn/webfm_send/3259.

²⁹ Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework. Ref. A/HRC/17/31. See also the report of Special Representative, John Ruggie, 31 March 2011.

Part III

**RESEARCH RESULTS
CSO PRACTICES ON CSR**



Research results: CSO Practices on CSR

This chapter is based on the social survey and individual interviews conducted with representatives of CSOs falling within the scope of the study and on discussions held within the working group about their current forms of engagement with the business sector. After a first analysis and overview of the sample of organizations met, the chapter identifies whether, to what purposes and what extent, CSOs work on CSR, and how far they are or wish to get engaged in networking activities. The purpose was also to check how far hypothesis set in previous chapter were to be confirmed.

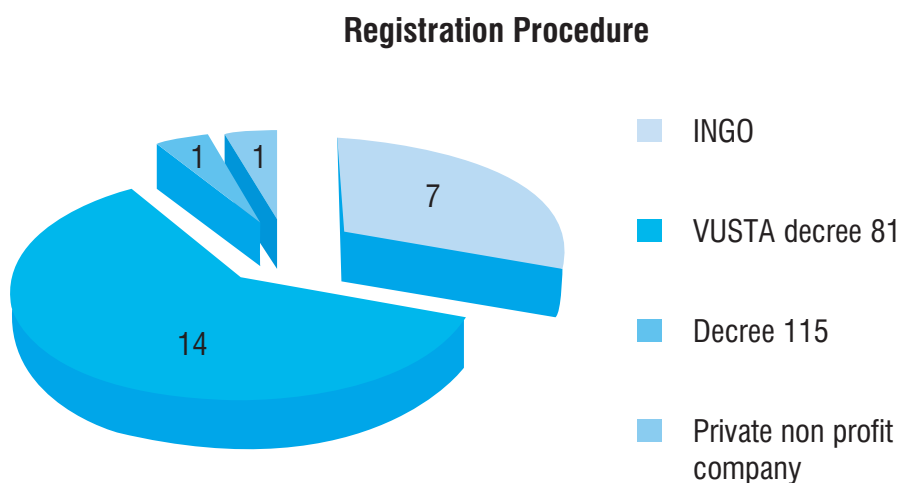
3.1. CSO ENGAGEMENT IN CSR

3.1.1. Overview and main features of reviewed CSOs

As mentioned previously, a sample of 23 organizations were met. Mass organization have been excluded since they are close to the government. Those organizations are Vietnamese as well as foreign NGOs and related entities.

Institutional and regulatory environment

We have previously described the regulatory framework in Vietnam, relevant to the registration and operation of CSOs and shown that it is quite a complicated process. Thus CSOs are established under different “umbrellas” to suit their purposes - including using “for profit” vehicles like enterprises or cooperatives (Decree 151/2007/NĐ-CP). Indeed, since the mid-2000’s “economic associations”, such as companies, are based on registration, not approval.



The organizations met reflected the variety of status existing in the landscape of civil society organizations active in Vietnam (Appendix 3):

More than half of organizations were registered under VUSTA, the biggest umbrella organization in terms of number of organizations³⁰. One is private company, Vietnam Cleaner Production Centre, a non-profit entity, is registered as enterprise, status which does not require approval from any state's body and thus allows a broader leeway. and Vietnam Productivity Centre is under decree 115, as a governmental agency non-profit organization. Apart from Live & Learn and LIN, and INGOs, none of the organizations included in the study operated according to the principles of volunteerism. Very few greet foreign volunteers. Nor were any registered under decree 88/2002/ND-CP which is the only one to require membership.

Spark, CSIP and its affiliated southern club of social entrepreneurs are somehow active for their member organizations. But none of the other Vietnamese CSOs are supported by or report to their members. Organizations are required to report to their umbrella organizations such as VUSTA. It is different from the situation prevailing with the INGOs. They do have to report to PACCOM in Vietnam but also to their members. The Vietnamese CSO legitimacy relies on their founders' reputation.

Size and age

The number of employees in the 7 foreign organizations included in the study was equivalent to the total staff of the 16 other Vietnamese organizations. The majority of Vietnamese organizations have less than 7 employees.

The majority of organizations were established recently. Only ten of the 23 were created before 2000 and four had existed for a year or less.

Resources

Most of CSOs' resources come from subsidies, mainly from international programs or INGOs. Yet it is important to underline that there is a trend for Vietnamese CSOs to develop services for enterprises. For instance Spark, originally created to support social entrepreneurship, now provides consulting services to businesses. At this point we can question the specificity of civil society organizations compared to private consulting enterprises.

Geographical scope of intervention

All the organizations surveyed have headquarters located in Hanoi and Ho Chi Minh. But most operate all over the country in different provinces and 5 have a national perimeter reach. Some are opening offices in other big cities and hiring full time staff.

³⁰ However two of these organizations were indirectly registered under VUSTA, for instance CECOD is affiliated to the association for conservation of nature and environment which is registered under VUSTA. Registered under VUSTA are: 60 provincial science and technology associations; 73 national scientific and technological associations; 197 newspapers, magazines, and websites; and 250 affiliated organizations. They include Research Institutes, NGOs working in science and technology, health care, poverty alleviation and education. VUSTA is the sole umbrella organization mandated to provide consultancy, judgment and social expertise to the national projects on law, policies, schemes and important issues of the country. Yet it is only permitted allowed to act at the request of relevant authorities. This implies non-disclosure of any critical findings to the general public.

One organization is operating also in south East Asia (Laos, Cambodia).

Fields of work

The larger number of CSOs identified themselves with programs and interests in sustainable rural development, a traditional field of work for CSOs in Vietnam. This will remain an important component of CSO activities because the government generally supports CSO work in this area. In contrast, few NGOs work on urban issues, perhaps because, despite industrial development along with urbanization, the majority of the population still lives in rural areas.

Emergent areas of work are in relationships with business, such as consultancy and social entrepreneurship. Three CSOs were working with and for businesses. CISP aims at promoting social entrepreneurship in Vietnam. Social entrepreneurship is a relatively new concept in Vietnam and has been recently developing with the support of international corporations as well as international NGOs. This means NGOs can do business or support the running of businesses with social purposes. Services provided to social entrepreneurs are similar to those that many SMEs are looking for in the market for consultancy services.

Only a handful of Vietnamese CSOs³¹, notably CCIPH, CeCOD and Green ID, specifically take on CSR work. CSOs noted that they could provide services or act as intermediaries to assist companies in selecting efficient and reliable consulting services. Foreign companies and MNCs that produce in Vietnam and put pressure on their sub-contractors to comply with CSR requirements tend to lend more legitimacy to NGOs than to private consulting companies because they intend to resort

to independent services in assessment and audit services. Other organizations (though not registered as Vietnamese CSOs), such as Vietnam Productivity Centre and Vietnam Cleaner Production all of which work on development, also provide CSR services.

CSR is still, however, a blurry concept for most Vietnamese CSOs and so there remains a great challenge for them and for enterprises to work together and for CSOs to engage in challenging businesses to be held accountable for the social and community impacts of their actions.

3.1.2. CSOs' perceptions of CSR

The second part of the research questionnaire aimed to gain an understanding of CSO perspectives regarding CSR and what they thought about taking up CSR work. CSR relates to numerous processes and perceptions according to reviewed organizations.

- Is CSR philanthropy? Many informants affirmed that philanthropy is not to be considered as CSR because it does not focus on the core business. On the other hand, the Deputy Country Representative of The Asia Foundation, for instance would include philanthropy in CSR. Included or not, philanthropy is a way to engage the private sector. In this study it was decided not to exclude charity business since it is at least a way to interact with companies even though we are of the opinion, following UNIDO, that charity by companies should not be included in CSR.
- Economic performance: a means or a goal? Some believe that a middle way is possible “between charity and business” to tackle social issues³².

³¹ CDI excluded.

But this social business is not to be mixed up with CSR. In the view of Director of CSIP “The core mission of social entrepreneurship is to generate social benefits for the community while through CSR a company may improve its impact on society but the ultimate goal remains to maximize profit for shareholders”.

- Is CSR bottom-up initiative? In spite of their involvement in CSR issues, some organizations were very critical of the notion of CSR. For example, an Oxfam representative averred that “CSR consists in working with employers, while Oxfam Belgium focuses on workers” (a bottom-up approach). Likewise APHEDA asserted that CSR efforts are too often exploited as a way to undermine and marginalize unions.
- Is CSR a voluntary commitment? Again, the Oxfam representative stated that “CSR refers to a voluntary process above the law while companies might often not yet comply with laws” and that “much effort remains to be done even for companies that commit to the principles and standards of international buyers’ codes of conducts: loopholes in codes of conduct, audits often not convincing”. From a western perspective, CSOs enjoy greater legitimacy than private consulting enterprises when it comes to auditing. Yet in the eyes of the majority of Vietnamese entrepreneurs, CSR remains a blurry concept that essentially deals with assisting disadvantaged people.

According to a project manager in charge of a CSR project for GAP, “[local] companies are willing to get involved in

CSR only under pressure of international buyers, it is not voluntary”. In some cases if a buyer does not account for a large slice of production, an enterprise might as well ignore its injunctions. Most companies do not perceive CSR as a way of providing competitive advantage through committed workers or reduced marketing risks, for instance.

For UNIDO Chief Technical Advisor of CSR project “when CSR is imposed by international buyers, it is only perceived as one more requirement among many other technical ones”. Managing to improve the performance of a company through CSR implies a long process which starts by pushing interlocutors to question the core business of their company rather than coming up with a whole set of answers.

There does seem to be a growing interest about CSR amongst organizations we met with for the study, the majority of whom are in relationships with the private sector. Yet apart from Vietnam Cleaner Production Centre, and to some extent MSD, none of the organizations were identifying CSR as a specific field of work. However, CSR refers to a wide range of issues and thus many projects that do not mention the concept are somehow related to CSR.

3.1.3. Dynamics of CSOs working in CSR

A proposed hypothesis for the Vietnamese context is that the seven core issues in CSR (identified above) can be divided into two groups according to the extent of their impacts. One group refers to impacts largely contained within firms, the other group implies societal impacts beyond the corporate sphere. The first group includes

³² Interviews with Director of CSIP.

issues of corporate governance, labour practices and operating practices. The second includes issues of environment, consumers, human rights and community development. Except for labour practices, that are a traditional area of interest for NGOs, the second group of issues often attracts NGO engagement in promoting CSR because their scope of social impact is more significant. The picture in practice, of NGO work on these seven core CSR issues in Vietnam, might be a little different since the specific political context could have implications for which issues are more or less favorable or challenging for NGOs to engage with. For instance, labour practices or human rights could be challenging subjects, whilst environment or community development could be more feasible for NGOs to take initiatives. Recognizing these areas and the extent of NGO performance in each area will help to identify subjects for future capacity building actions.

3.1.4. Vietnamese CSO engagement with business and CSR

The organizations covered by the survey stated that they operate in relationships with a wide range of enterprises

(domestic businesses, joint-ventures, public enterprises etc.), in different sectors (agriculture, pharmaceuticals, garments etc.). VNGOs mainly work with domestic SMEs, whilst INGOs and not-for-profit companies work more frequently with larger, often internationally-owned companies. Neither VNGOs nor INGOs currently work with state agencies and state-owned businesses.

CSR is at the heart of the relationship between civil society and businesses, whereby civil society demands socially responsible business practices that contribute to sustainable development. The survey component of this study was based on a categorization of CSO *modus operandi* by Olivier Maurel³³. This framework helps to identify the different kind of relationships existing between corporate and NGOs: different strategies, approach and actions that NGOs use to target corporations on CSR issues.

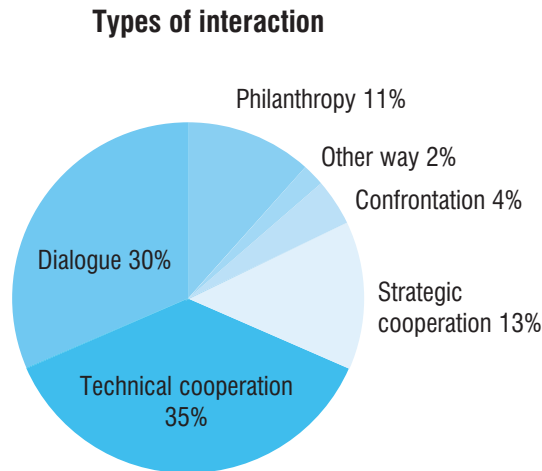
Reviewed CSOs were asked to classify their activities out of a simplified presentation of table above. Figure 3 summarizes types of engagement and kinds of relationships set with firms.

³² Maurel, O. (2010). *La responsabilité des Entreprises en matière de droits de l'homme. Tome 1, Etat des lieux et perspectives d'actions publiques*. Framework of relations between NGOs and business. Results of university work undertaken by Olivier Maurel, Isabelle Devaux and Sylvaine Parriaux. 2010.

Table 1. Framework for kinds of relationships of CSOs working with state and business in Vietnam used for consultation

1	ADVOCACY Collective action of an association or a group of associations against a sector or a group of companies	<i>Overall pressure</i>	Awareness
		<i>Institutional pressure</i>	Lobbying
		<i>Targeted confrontational actions</i>	Awareness campaign or targeted pressure
			Boycott
			Pursuit through a judicial or extrajudicial mechanism
Shareholder activism			
2	CONSULTATION or CONCERTATION relationship orientated towards activities of the company		Exchange information or ad hoc dialogue
			Exchange information or regular dialogue
3	TECHNICAL COOPERATION Punctual and targeted action	<i>Actions orientated towards activities of the company</i>	Training of professionals
		<i>Actions orientated towards activities of the NGO, but also, if any, towards the company</i>	Accountability project management on targeted theme or territory.
			Co-production project or project on accessibility. BoP
		Local development project or “social” project	
4	STRATEGIC COOPERATION	<i>Upstream Phase</i>	Elaboration of principles, frameworks and norms
		<i>Piloting & controlling change</i>	Support for accountability conducts
		<i>Downstream Phase</i>	Audit, assessment, consulting
5	PHILANTHROPIC or COMMERCIAL COOPERATION	<i>Sponsoring</i>	Sponsoring or financial donation
			Sponsoring or donation (nature or technology)
			Sponsoring or corporate volunteeris
		Communication & marketing	Sponsoring
			Cause related marketing

Figure 3. Engagement of CSOs in CSR work



Philanthropy: VCSOs are generally interested in promoting philanthropic activities with businesses because they seek funding or expertise (from the company) for the projects they implement³⁴. Whilst, only 11% of organizations interviewed benefit from philanthropy, there is a view that there is more potential for philanthropy in HCMC than in Hanoi. A recent study by the Vietnam Asia-Pacific Economic Center (VAPEC)³⁵ aimed at “establishing a broad baseline in order to identify potential and options to improve philanthropic giving and activities in Vietnam”. This study underlines the difference between HCMC and Hanoi. Indeed 66% of the local enterprises interviewed in HCMC declared contributions to philanthropic activities while only 8% of enterprises based in Hanoi did so.

Private sector, especially MNCs which have a corporate social responsibility strategy can be considered as an alternative source of funding for Vietnamese civil society organizations such as CSIP. Often, as in the CSIP case, MNCs fund activities that do not

impact their core business.

Technical cooperation: This is the major form (35%) of relationship between CSOs (especially VNGOs) and the private sector. It involves interactions that address a specific issue. The majority of NGOs in Vietnam often have a background in rural development and poverty reduction, so seeking collaboration with businesses, especially in promoting CSR, is largely new territory. VNGOs (especially) are mainly engaged in a single dimension of CSR, such as the environment, or in supporting small rural enterprises.

Strategic cooperation: This relates to long-term engagement with the firm and focus on core business. Quite often, it influences the firm on a larger scale. Technical cooperation can be the first step leading to a strategic cooperation once mutual trust is established through addressing non-sensitive issues. The survey shows that strategic cooperation represents only 13% of relationships between the private sector

³⁴ For instance, Chemonics International implemented a project funded by USAID focusing on HIV in the workplace (formulation of HIV policy, prevention, anti-discrimination). 118 enterprises contributed a total amount of USD764 183 to the program. [Interview transcript and program documents provided by Chemonics].

³⁵ Philanthropy in Vietnam. Vietnam Asia Pacific Economic Center. The Asia Foundation. Hanoi 2011.

(typically large corporations) and CSOs. The reasons for this low percentage are most probably that VNGOs lack expertise and credibility in the eyes of corporations. Thus strategic cooperation primarily involves INGOs or non-profit organizations established under Decree 115 providing consultancy services to support companies in complying with international standards (primarily international standards on environmental management) such as monitoring activities.

Confrontation: Not surprisingly in Vietnam, VNGOs are hesitant to directly confront businesses about their practices. And yet CSOs often mention advocacy as a growing tool. Even so, advocacy initiatives seem to focus more on diffusion of information, and less on conflict and public pressure such as naming-and-shaming campaigns which occur in other countries.

Dialogue: CSOs see dialogue as a viable way to deal with conflicts and confrontation to avoid “last-resort” responses. Dialogue -in a business-led context or informal - thus represents 30% of interactions between CSOs and the private sector. CSOs can ensure participation/representation of “the voices of the poor’ in policy making and

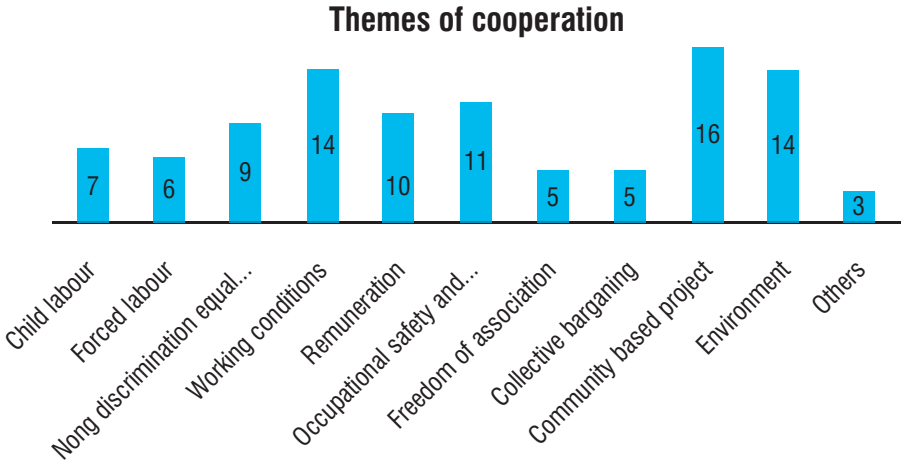
Case: CSO-Business partnership

Live and Learn works with a number of companies interested in environmental protection by providing training for staff to initiate “greening business” practices. These initiatives include working towards green hospitality, a joint project with an automobile company on raising awareness of sound pollution. At the same time, initial discussions on the possibility for cooperation with another company did not result in a partnership as the company was looking for an organization to implement their community charity campaign without any commitment to adopt CSR issues as internal practices.

implementation and may act as catalysts to bring stakeholders together to mediate between corporations and their employee and communities.

Once seen the kind of interaction existing between firms and CSOs, the purpose was to understand on **which themes** related to CSR were working the surveyed CSOs.

Figure 4. CSOs’ interests and practices in CSR related thematic issues related



The main themes of cooperation between CSOs and the private sector focus on community based projects, the environment, remuneration and equal opportunities. Once again, these are traditional matters addressed by VNGOs in rural areas to support populations that have not taken advantage of the economic development over the last decades. On the other hand, CSOs address matters arising from industrial development and the flow of migrants, such as working conditions, occupational safety and health, forced labor and collective bargaining. In fact several CSOs were created specifically to work on environmental issues and climate change. Some concerns, notably forced labor and freedom of association, remain sensitive to tackle given the Vietnamese context.

3.2. CSO INVOLVEMENT IN NETWORKS

The last part of the research for the present study focused on networking. The objective was to determine the extent to which CSOs were currently involved in formal networks, their expectations and possible contribution to a CSR network.

3.2.1. Overview of existing networks

CSOs reviewed are indeed involved in networks, as a matter of fact, more than expected. All CSOs are members of at least one network. One reviewed person used to be the coordinator of the Vietnam River Network. Not all networks are very active and some have a regional or even international dimension.

There are several CSO networks active in Vietnam. The main ones are the following:

- Gender and Community Development Network (GENCOMMNET)
- Vietnam Network on Rivers and Sustainable Development (VRN)
- Civil Society Inclusion in Food security and Poverty Elimination Network (CIFPEN)
- Vietnam Microfinance Working Group (MFWG)
- Agricultural Sustainability and Natural Resource Management Working Group under NGORC
- The Vietnamese Non-governmental Organization Group (VNGO)
- The Vietnam Non-Governmental Organization alliance (VNGOA)
- Vietnam Water Partnership (VNWP)

Networks share information and are also involved in capacity building, and in some cases make collective proposals for project funding.

It is important to note that there is no specific regulation regarding networks in Vietnam. Indeed most networks are not formal and are based on voluntary commitment of members. This means that networks do not have a legal entity that enables them to raise funds. Some therefore choose to be registered as an organization through VUSTA. It is the same in France where there is no specific legal framework for networks. Quite often one member organization takes the leadership and raises fund on behalf of the network.

The VUFO NGO resource center provides great support for networks in Vietnam in the form of working groups (contact work, room for meetings etc.). Whilst only INGOs

are allowed to be VUFO members, VNGOs can participate in meetings.

Networks face difficulties in ensuring their sustainability and regular commitment of their members. Indeed it is a big effort for many VNGOs to regularly attend meetings taking into consideration their limited human resources.

3.2.2. Attitudes to a CSR- CSO network

All but two of the organizations in this study expressed interest in being members of a network dedicated to CSR.

Their expectations of membership include:

- Information sharing and exchange of experience
- Developing capacity for advocacy and policy dialogue
- Training and capacity buildings for members
- Identifying new sources of funding and partners
- Promoting services provided by organizations (a way to identify new partners and clients)
- Greater public visibility of organizations

VUSTA and other organizations emphasize the challenge of keeping networks active. Networks commonly cease being active once the funding by means of which they were established has stopped³⁶.

The following factors essential for networks to be efficient and sustainable were cited by interviewees:

- Value-adding for members
- One organization (selected from the membership on a rotating basis) is responsible for coordination of the network and for receiving grants
- A strong leader who can bring organizations together and create a variety of activities to involve network members
- Transparency in fund raising and deployment
- Involvement of members in building a common vision and strategy (a lengthy process that can take up to a year)
- Each member has clear responsibilities and roles
- Strong communication between members.

Appendix 5 presents first draft of terms of reference for a network of CSOs engaged in CSR. It was presented and discussed by participants involved in the project over the course of 2012.

3.3. STRATEGY OF CSOS TOWARDS CSR?

3.3.1. Vietnamese NGO relationships with business sector

After three months of initial meetings and exchanges with NGOs, international organizations and Vietnamese government authorities operating in CSR, CDI and BATIK International hosted the first meeting for Civil Society Organizations and CSR on May 2012 in Hanoi. The objectives of the

³⁶ A meeting dedicated to networks was held in the VUFO NGO Resource Centre on 23 March 2012. Recommendations from the meeting, based on previous experience gathered by three organizations involved in networks - PACT Vietnam, GENCOMNET, Disaster Management Working Group - are appended (Appendix 4).

meeting were to enable participants to gain common understandings towards CSR and to identify the roles of CSOs on CSR and strategic actions for CSOs to carry on.

30 participants from more than 20 organizations took part in the meeting. Apart from the organizations met for the mapping study, other organizations attended the meeting: CFVG/NFU, Lefaso, VWEC/VCCI, VINASTAS, Solidaridad, RED VwEC. The

majority of participants were members of CSOs, including Vietnamese and international NGOs, some were companies, members of professional associations as well as university teachers.

Participants shared their activities related to CSR. Table 2 summarises the group exercise which mapped existing activities and strategic intentions over the next five years by participants³⁷.

Table 2. Mapping of CSOs and relationships with business sector

STRATEGY		ACTIVITIES	NOW	IN 5 YEARS
PRESSING Collective action of an association or a group of associations for a sector or a group of companies	<i>Overall pressure</i>	Awareness	RED, CECoD, CCIHP, MSD, CFVG/NFU, VINASTAS	RRED, CECoD, CCIHP, VINASTAS,
	<i>Institutional pressure</i>	Lobbying	VWEC/VCCI, Chemonics, VITAS	VWEC/VCCI, RED,
	<i>Targeted confrontational actions</i>	Awareness campaign or targeted pressure	RED	
		Boycott		
Pursuit through a judicial or extrajudicial mechanism				
	Shareholder activism		CFVG/NFU	

³⁷ Adapted from a framework developed by Olivier Maurel.

STRATEGY		ACTIVITIES	NOW	IN 5 YEARS
CONSULTATION or CONCERTATION relationship orientated towards activities of the company		Exchange information or ad hoc dialogue	Lefaso, VWEC/VCCI	Lefaso, VWEC/VCCI
		Exchange information or regular dialogue		
TECHNICAL COOPERATION	<i>Actions orientated towards activities of the company</i>	Training of professionals	VINASTAS VietED, VITAS CECoD, Lefaso, CFVG/NEO, Solidaridad	VINASTAS VietED, CECoD Lefaso, CFVG/NFU
	<i>Actions orientated towards activities of the NGO, but also, if any, towards the company</i>	Accountability project management on targeted theme or territory.	VietED, SCDI MSD	Viet ED SCDI, RED,
		Co-production project or project on accessibility	SCDI CCIHP MSD CFVG/NFU VITAS Chemonics	SCDI
		Local development project or “social” project	VINASTAS, CCIHP, CECoD Solidaridad,	VINASTAS, CCIHP, CECoD
STRATEGIC/ POLICY COOPERATION	<i>Upstream Phase</i>	Elaboration of principles, frameworks and norms	SCDI, Lefaso, VINASTAS, Solidaridad, RED, Chemonics,	SCDI, Lefaso VINASTAS MDS VITAS, VwEC/VCCI

Strengths

- i. CSOs have strong connections with communities and can therefore serve as a bridge between business and local communities.
- ii. CSOs have developed a strong technical knowledge in various fields (e.g. value chain development, green business, environmental protection, etc). Their expertise can contribute to enhancing businesses.
- iii. CSOs have substantial experience and a unique position in policy advocacy. They have legitimacy, through engaging with social/community causes, to engage with CSR.
- iv. CSOs have international connections to enhance information sharing and resources in implementing CSR.
- v. CSOs are diverse and can thus play different roles in relationships with business. For example CSOs such as business associations/professional association can act as intermediaries and facilitators, while CSOs such as consumer associations may take a more confrontational approach.

Opportunities

- i. Increasing interest of businesses in implementing legitimate CSR practices through collaborating with NGOs.
- ii. Increasing concern about CSR among businesses, especially due to the threat of reputational risk and boycotts led by NGOs.
- iii. Business foundation/initiatives to realize CSR strategy by working with NGOs (e.g. Unilever, Hong Kong and Shanghai Bank).
- iv. Business sector are more interested in CSR programmes since they experience a raising pressure from consumers

Weaknesses

- i. The legal framework for CSOs remains uncertain. The concept of civil society/CSOs is not officially recognized, and this could affect CSOs/NGOs' legitimacy to work with other sectors.
- ii. CSR is a new subject to CSOs in Vietnam. Vietnamese NGOs do not have a strong working experience in this area.
- iii. Vietnamese NGOs lack understanding of the business sector, especially regarding corporate governance and operation, needs and characteristics of specific sectors. This weakness is a challenge in building collaborative activities with companies.
- iv. Lack of understanding of NGOs work from the business currently limits capacity to build trust and initiate substantive collaborative actions.

Threats

- i. NGOs and business sector often do not share the same values nor the same culture. This is a challenge for the development of sustainable partnerships.
- ii. Lack of clarity concerning the role of NGOs: possible role of consulting on CSR standards vs. advisory/monitoring.
- iii. Weak relationships between NGOs and businesses inhibit building of trust and cooperation.
- iv. Reputational risk to NGOs.

Subjectivity might influence mapping results. However; this picture was consistent with the survey results reported above. The exercise revealed that a majority of organizations prioritize technical cooperation but seem to be less eager to go on with Co-production project or project accessibility. They are all likely to move towards Strategic/Policy cooperation. Many also point out advocacy but clearly refuse direct confrontation or boycott.

Another meeting took place on July 2012 with most of the same organizations. The purpose was to identify and confirm

possible added value of CSOs engagement in the field of CSR. A brief SWOT analysis for Vietnamese NGOs in the relationship with the business sector was made and is summarized below.

The two exercises clearly show that CSOs as well as other stakeholders do recognize that a strong position can be held by CSOs in the field of CSR. Indeed, though this field remains rather recent, general orientations decided by the CSOs combined with the current opportunities can indicate more and more commitment and actions led toward CSR in the future.

Conclusion

BRIDGING THE GAP BETWEEN CSOS AND CSR



Bridging the gap between CSOs and CSR

The purpose of the study on which this paper is based was to identify the extent to which CSOs engage in CSR-related work and to identify mechanisms by which to enhance engagement. In the most general sense, the study has identified that there is a low level of engagement of CSOs in CSR but some interest by CSOs in getting more involved. The challenge now is to identify ways and means of “bridging the gap”.

With the cross reference to several network strategic planning meetings and workshops during 2011-2012, a clearer positioning of a network of CSOs working on CSR has been identified. The network sets common goals for promoting better practices of corporate social responsibility in relation to the environment, consumers, employees, communities and other stakeholders.

CSOs in Vietnam will need to actively engage with businesses and government in promoting the adoption of CSR.

In particular, CSOs can contribute to CSR-relevant policy dialogues with the government, for instance on business conduct and practices aligning with related laws. In addition, CSOs can act as an independent monitoring agent to the state on situation. Other examples are CSOs acting as social auditors or facilitating a dialogue between the state, businesses and stakeholders to build more understanding and compliance on international social and environmental standards.

CSOs in Vietnam could adopt a “win-win” approach to collaborating with the business sector to raise awareness about CSR and its good practices and take joint actions to avoid negative impacts and create positive impacts by business on the environment, employees and local communities. CSOs have legitimacy and connections that enable them to defend workers’ rights more than any other organizations.

In order to fulfill the new mandate of CSOs with relations to government and business on CSR, CSOs interviewed in Vietnam have identified the need for (i) Capacity building on knowledge and practice in CSR, Networking and sharing and learning on CSR including joint project and fund raising for the network (iii) Engage with practical work in policy dialogues with government and state agencies and (iv) engage with media and social media to share good practices, bad practice of CSR inside and outside Vietnam.

In conclusion, CSOs in Vietnam are emerging to be more dynamic and active in different fields. CSR is no longer the work of business but has received higher concern and awareness of CSOs because issues are related to labor and social issues, environmental issues and community benefits. Civil Society in Vietnam is transforming in building partnerships with the state and business and has the capacity to act as bridge toward an improved implementation of CSR in the country. As

the state opens to more involvement of CSOs, they participate in dialogues and contribute to monitoring CSR issues at the same time. A Win-Win approach and collaborating with the business community brings challenges in ethics and choice of CSOs in CSR. CSOs can help business in

implementing CSR programmes but will need to be watchful on their independent role in society to enhance social equity through business and government work. They will need capacity, trust and a strong network to fulfill these mandates.

Appendix



Guidelines for semi-structured interviews

1. Description of the organization

Name of the organization:	
Nationality	
History:	
• Date of creation	
• Founder (institutions, persons etc.)	
• Which juridical status? Under which legislation? Why an NGO?	
• Is your organization a member of a network? If yes, thanks to provide details	
Means: If relevant	
<input type="checkbox"/> Annual budget?	
<input type="checkbox"/> Funding? (where from? State, private, donation? Projects?)	
<input type="checkbox"/> Human resources (local/ international, how many, which background)	
Role and objective/strategy: (answer to which needs...)	
3 to 4 main working fields:	

2. Involvement in the field of CSR?

Relations with businesses

Is your organization interacting with the business sector? Which kind of businesses (size, sector...).

If yes, how is your organization interacting with the business sector?

	YES	NO
Confrontation		
Dialogue / exchange of information		
Technical cooperation		
Strategic cooperation		
Charity business		
Other way?		
Which themes are you working on?		
Child labour		
Forced labour		
Non-discrimination and equal opportunities		
Working conditions		
Remuneration		
Occupational safety and health		
Freedom of association		
Collective bargaining		
Community bases project		
Environment		
Others?		
Where/geographical area?		
Impacts?		
Which definition would you provide of CSR?		

3. Potential involvement in the network

1. Would your organization be interested to participate to a CSO network involved in CSR?
2. If yes, do you know what would be your expectations?
3. Who could get involved from your organization?

Organizations included in the study

The following organizations were interviewed in Vietnam for the study:

16 Vietnamese CSOs:

- MSD, Research Centre for Management and Sustainable Development
- SRD, Centre for Sustainable Rural Development
- Green ID
- CSIP, Centre for Social Initiatives Promotion
- Vietnam Productivity Centre
- SS, Institute for Social Studies
- RDSC, Rural Development Service Center
- Spark
- CECOD, Center for Environment and Community Development
- Live & Learn
- Center for Promotion of Quality of Life
- LIN Center for community development
- Southern Social Enterprises Club
- Center for Research Consultancy and Development
- Center for Media in Educating Community
- Centre for Cleaner Production

7 International Non-Governmental Organizations:

- GRET (French)
- Oxfam (Belgium)
- APHEDA, Australian People for Health, Education and Development Abroad
- CARE
- SNV Netherland

- ASSIST
- Transparency International (representation via Towards Transparency)

Resource organizations

- Vietnam union of friendship organizations- VUFO NGO resource center
- Vietnam Union of Science and technology associations (VUSTA)
- The Asia Foundation
- United Nations Industrial Development Organization - UNIDO - (CSR program)
- International Labor Organization (Better Work Program)
- Chemonics International (consulting corporation sub-contractor of USAID)
- GIZ in Hanoi
- VITAS
- LEFASO
- NILP (national Institute of labor safety and protection)

Regulatory framework for civil society organizations in Vietnam

The following text introduces the most common registration status for CSO in Vietnam and what they imply in terms of registration. It is based on a study by Dr Nguyen Manh Cuong, Institute of Social Studies, 2008³⁸.

(i) CSOs established under Decree 81/2002/ND-CP

CSOs operating under this decree must be set up as “science and technology organizations”. They must register with the Ministry of Science and Technology, if their scope is nationwide, or with the Department of Science and Technology, if they operate provincially.

It is required to identify an authority with which to register:

- Provincial peoples’ committee if the organization operates in a single province
- Government ministry for those organizations operating in the field that the ministry is responsible for.
- A state political/social organization, such as VUSTA

To secure registration, it is necessary to demonstrate anticipated contributions to the development of the Vietnam. It is further necessary to have qualified science and technology personnel within the organization.

CSOs of this type are not membership based. They have the right to access international aid resources, after approval of the umbrella organization. Additionally for non-profit activities, they enjoy favorable conditions such as preferential loans and land rentals, exemption from value added tax etc.

Organizations registered under the umbrella of Lawyers’ Associations, VUSTA or the Mathematicians and Physicians Associations have the right to assess and evaluate the state policies and development projects according to decision 22TTG/2002.

(ii) Associations established under Decree 88/2002/ND-CP

Associations may be referred to by different titles, such as union, confederation, federation, society, club or other names regulated by law. In this document the generic term “association” is used.

Associations are membership based (voluntary citizens and Vietnamese organizations) and must have a minimum number of members depending on the scope: nationwide or provincially (at least 100), in a single province (at least 50), in a district (20), in a commune (10).

The name and primary operational domain has to be different from existing associations. The list of members and the canvassing board members (in the

³⁸ A Theoretical Framework and Principles for the Establishment and Management of Civil Society Organizations in Vietnam; Hanoi (2008).

registration process) have to be recognized by a governing ministry or state agency that is competent in the field in which the organization wishes to work. Applicants are required to demonstrate how the association might contribute to the field of work for which the ministry or state agency is responsible. These requirements are sometimes difficult for associations to comply with so it is crucial to develop strong relationships with governing ministries or state agencies.

The following agencies authorized to issue operating permit under Decree 88/2003/NĐ-CP:

- Provincial People's Committees for associations operating within a particular province, or in districts or communes.
- MOHA for associations operating nationwide or in more than one province.

After submitting an application to a relevant authority, the potential Association's board may be required to supplement or correct parts upon request by the authority.

After obtaining a permit an association has to hold a congress to establish itself. Among the tasks is to elect a leadership and control board have to be elected and to disestablish the canvassing board.

(iii) Non-governmental funds established under Decree 148/ND-CP/2007

In order to establish a fund there must be at least two founding members a board who are committed to contributing assets. A fund has the right to receive assets donated by domestic and foreign individuals and organizations.

Funds must be not-for-profit and focus on encouraging the development of culture, science, healthcare, education, sports, or community development. Any profits gained during a fund's operations must be designated for activities prescribed in the charter.

The Ministry of Home Affairs (MOHA) prescribes specific conditions for establishing funds. In fact this regulation gives MOHA the power regarding fund establishment, and therefore, the entire process depends on the inclinations of MOHA.

Minutes of CSO/CSR meeting in VUFO NGO Resource Centre

Building alliances: The importance of networks to capacity development - (Dated 23rd March 2012)

The CDWG held a panel discussion on “Building alliances: The importance of networks to capacity development”.

The meeting looked at aspects of networking such as:

- Why are networks important?
- What are the attributes of a successful network?
- How does one start, build and sustain a network?
- How do networks respond and adapt to change?

Panel discussion:

- The importance of networks and how they can be strengthened in the context of Vietnam?
- Challenges and opportunities?

Panel Discussion: Discussion was broken out into small groups on focus topics with reports back to the larger group.

Focus topic 1: Attributes of a successful network

Key points:

- Network members should have a common purpose.
- Have an umbrella or legal status that provides recognition
- Commitment of members

- Good governance
- Financial sustainability

Comments:

- The larger the network the less important “common purpose” becomes and is superseded by the notion of a “clear purpose” which allows for a diverse membership.
- Financial sustainability is challenging - options include membership fees, fee-for-service (e.g. trainings, resources etc), direct fundraising.

Focus topic 2: Challenges and opportunities for networks

Challenges:

- Finding a common, clear purpose
- Sustaining commitment of members
- Transparency and accountability to members
- “Big Fish” syndrome - larger organizations dominate and benefit most

Opportunities:

- Donors want to see bigger organizations (greater absorptive capacity; greater reach)
- “Voice” - networks add strength to the members through collective advocacy and action

- Capacity building enhanced through mobilizing opportunities across the network for training, sharing learning etc.

Comments:

- In the context of Vietnam it is necessary to consider legal status - networks exist but need a legal framework to support them to be effective.
- Stages of development are important - no need to immediately formalize. If members are weak, the group can be informal and forum based and then, as members strengthen, the network evolves and may become legal or more formalized.
- Legal process is long and complex (e.g. one experience of taking 3 years to register was noted)
- Range of network types - e.g. small and informal leading over time to more formal legal networks
- Financial sustainability is challenging in Vietnam with a long history of donor funded actions, communities tend not to feel the need to self fund collective actions and networks. Need to change this for a long term strategy of networking.

- Government participation in networks - if government officials are present they are not civil society and are seen as the “backyard play ground” of government rather than community.

- Local NGOs are grant driven/funding based and therefore not member based.

Need to be clear that these are not representative of communities.

Focus topic 3: How to make more effective networks

Structure:

- Chair/board (must be Vietnamese)
- Core Group (committed members)
- ToR and annual work plan
- Financial commitment of members

Comments:

- Networks do not need to be registered e.g. Disaster Management Working Group has operated for many years as a collaboration of registered organizations but is not registered separately. Members share the financial and administrative functions.

Terms of Reference CSO/ CSR working group (as based on group consultation and network development)

A working group of CSOs in Vietnam, interested in promoting CSR, was established by BATIK International and the Center for Development Integration in early 2012. The group was (and is) open to all NGOs/CSOs operating in Viet Nam and individuals who share the groups goals.

Over the course of 2012 the group met on several occasions and developed a brief for itself, as follows.

Values

- Develop a network based on sharing, co-operation and collaboration amongst members.
- Serve as a bridge between communities, businesses and government.
- Act with honesty, accountability, transparency, efficiency, fairness and innovation.

Goal

To realise better practices of corporate social responsibility in relation to the environment, consumers, employees, communities and other stakeholders.

Objectives

1. To enhance the capacity of NGOs in Vietnam to work with businesses and government in promoting the adoption of CSR.

2. To contribute to CSR-relevant policy dialogues with government and businesses.

Approach/Strategy

Take a “win-win” approach to collaborating with the business sector to share knowledge and good practices and to take joint actions to create positive impacts by business on the environment, employees and local communities.

Support government in developing relevant policies and contribute to the effectiveness of implementing such policies through policy dialogues and sharing information with decision makers and the public.

Structure

Establish a group of NGOs (and other relevant CSOs) already working on CSR, or with an interest in doing so, as a sub-group under the NGO RC Capacity Development Working Group. To serve the operation of this sub-group, a secretariat will comprise representative of three NGOs. The secretariat will be elected every two years by group members, with due consideration of the role of Vietnamese NGOs.

The secretariat will be responsible for the administration of the working group, including (but not limited to) the following tasks:

- Administration of membership (update membership list).
- With support from group members, organize regular and ad-hoc events.
- Moderate discussions and sharing of information through different means of communications. Facilitate the development and implementation of the working group's annual action plan.
- Writing a brief annual report of group activities as a contribution to the CDWG report.
- An **Advisory & Resources Group** will be established to provide technical advice and possible extra resources for the network. The Advisory & Resources Group is open to organizations and individuals who have expertise in CSR and will offer information, infrastructure and financial resources for the network to assist it in promoting CSR-work by CSOs. The Advisory and Resources Group may include governmental organizations, international organizations, think tanks, representatives of donors and companies which have an interest in the promotion of CSR practices. The Advisory and Resources group will participate in training, events, network meetings, and "round table" discussions of the network.
- Ad-hoc events (training workshops, colloquium, exhibitions and other activities) organised by the group and members
- Sharing information through mailing list (at CSRnet@googlegroups.com) and postings at the CSR forum (at www.vietnamforumcsr.net)
- Sharing technical, financial and other resources through joint activities.
- Depending on the nature of events and availability of resources, the group event can be open and welcome the participation from other partners such as enterprises, donors, governmental agencies and individuals who are interested in CSR issues.

Network development

Objective: To become an influential network in CSR-related issues through concrete actions.

Strategy: To build capacity of network members to be effective in promoting social responsibility

Next steps:

- Cooperate with business sector: initiate more interactions; involve more CSOs members with business associations and professional associations like LEFASO/VITAS
- Identify more partners who could be interested (businesses, other CSOs (e.g. NGOs on science-technology), potential partners (e.g. business' funding such as Unilever's)
- Share experience/good practices on CSR among CSOs and business sector.

Participation

Membership will be open to all NGOs working in Vietnam and individuals sharing the common goal. Members of the group are invited to engage in:

- Frequent events: monthly meeting to update group's activities and administration of the group.

Bibliography

1. Civicus, 2006: The Emerging Civil Society: An initial assessment of Civil Society in Vietnam
2. Dr Nguyen Manh Cuong, Institute of Social Studies, 2008. A Theoretical Framework and Principles for the Establishment and Management of Civil Society Organizations in Vietnam; Hanoi (2008)
3. Forms of Engagement between state agencies and civil society organizations in Vietnam, DFID, Embassy of Finland. Hanoi (December 2008)
4. Hannah (2007) Local Non-government Organization in Vietnam: Development, Civil Society and State-Society Relations.
5. Irish Aid. 2011. Working With and For Civil Society in Vietnam
6. Norlund, Irene. 2007 Filling the Gap: The Emerging Civil Society in Vietnam. Publication of SNV, UNDP and VUSTA, 2007.
7. Philanthropy in Vietnam. Vietnam Asia Pacific Economic Center. The Asia Foundation. Hanoi 2011
8. A renewed EU strategy, 2011-2014, for Corporate Social Responsibility. COM(2011) 681 final. 25.10.2011
9. Sidel, M (2010). Maintaining Firm Control: recent development in nonprofit law and regulation in Vietnam, the International Journal of Not-for-Profit law, Vol. 12, No. 3, May 2010
10. UN Conference on Trade and Development, World Investment Report 2011.
11. UNDP and MPI (2010). Managing Risks and Attaining Equitable Growth Vietnam Development Report, Modern institutions (2010)
12. UNDP and Civil Society Organizations: A Practice Note on Engagement (2001)
13. William Taylor, Nguyễn Thu Hằng, Phạm Quang Tú, Huỳnh Thị Ngọc Tuyết, 2012. Civil Society in Vietnam: A comparative study of civil society in Hanoi and Hochiminh City
14. World Bank Group. Strengthening Implementation of CSR in Global Supply Chains (2003)
15. Maurel, O. (2010). *La responsabilité des Entreprises en matière de droits de l'homme. Tome 1, Etat des lieux et perspectives d'actions publiques*. Framework of relations between NGOs and business. Results of university work undertaken by Olivier Maurel, Isabelle Devaux and Sylvaine Parriaux. 2010.



<http://www.batik-international.org/>



**CENTER FOR DEVELOPMENT
AND INTEGRATION**

www.cd vietnam.org