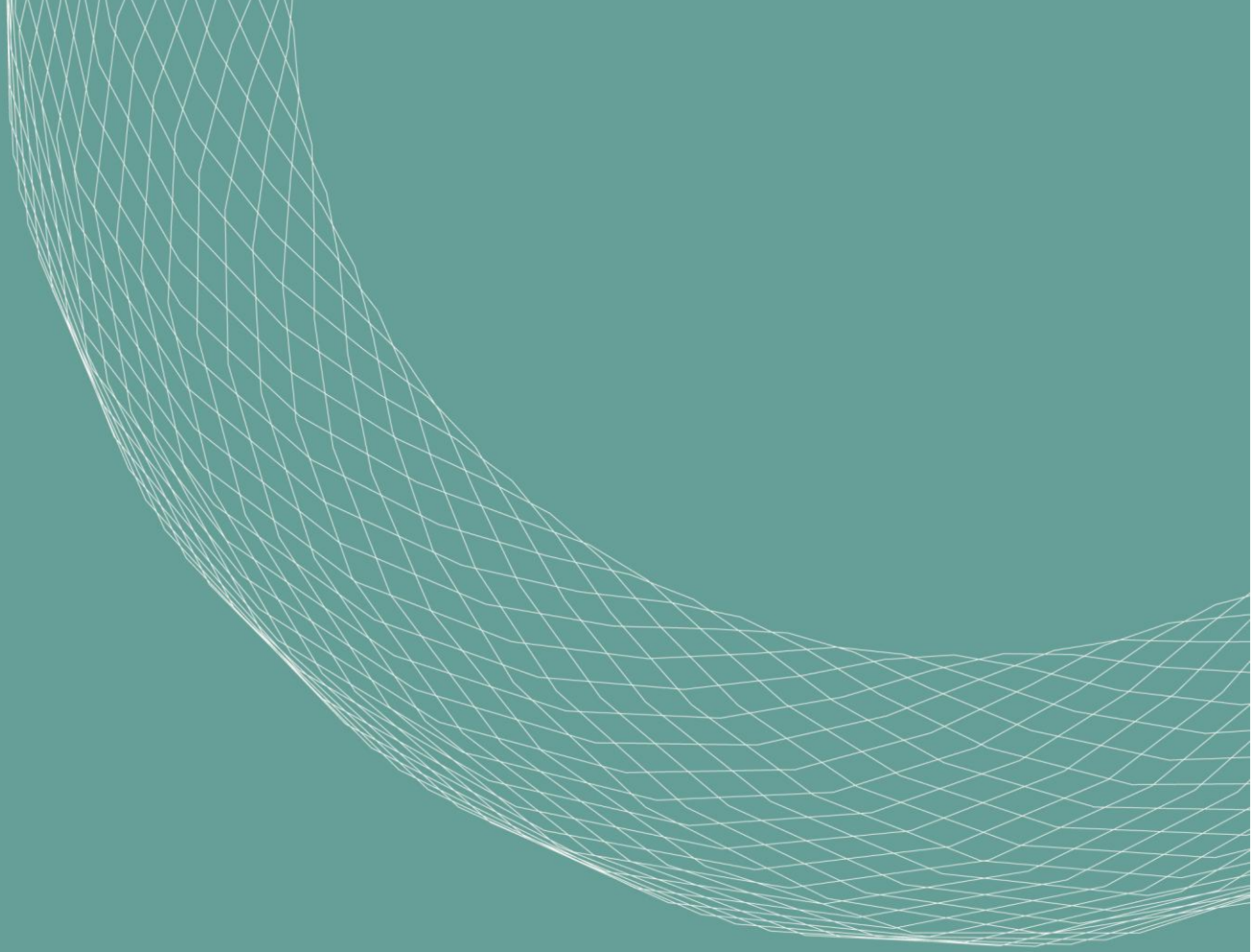


How Might Vietnam Reverse the Current Trend Towards a More Vertical Approach to Philanthropy, and Return to a More Horizontal Form of Philanthropy?

By: Pham Truong Son

This paper investigates how civil society organizations can effectively pivot towards a decentralized, community-led (bottom-up) approach. The analysis traces this institutional evolution across four primary stages of Vietnam's post-1975 socio-economic development.

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Executive Summary

Informed by 30 years of professional engagement in Vietnam's non-profit landscape and the historical socio-economic dynamics of the Southern region, this research paper investigates how civil society organizations can effectively pivot towards a decentralized, community-led (bottom-up) approach. The analysis traces this institutional evolution across four primary stages of Vietnam's post-1975 socio-economic development, as follows:

- **1975 – 1986:** A centralized, state-subsidized era where relief activities were strictly state-managed, while private or religious initiatives were heavily restricted.
- **1986 – 1999:** The Đổi Mới (Renovation) policy diversified social resources. The private sector and non-governmental organizations began participating, though the model remained heavily top-down (vertical philanthropy).
- **1999 – 2010:** The IT boom and global integration spurred professionalization, laying the groundwork for horizontal philanthropy.
- **2010 – 2025:** The digital revolution enhanced transparency and aligned philanthropic work with the United Nations' Sustainable Development Goals (SDGs).

However, since 2018, the sector has faced severe bottlenecks. Tightened regulations on foreign aid via Decree 80/2020 and Decree 58/2022, along with administrative reforms starting in July 2025, have narrowed the operational space for civil society organizations. The 2025 Global Philanthropy Environment Index report ranks Vietnam among the most challenging philanthropic environments in Southeast Asia due to complex procedures and a lack of tax incentives.[1]

Concurrently, Vietnam's rise to a middle-income country (with GDP per capita increasing from US $238.65 in 1985 to US $4,347 in 2023) led to a sharp drop in non-refundable Official Development Assistance (from 4.8% of the GDP in 2000 down to 0.012% in 2022). Lacking preparation for domestic financial self-sufficiency, many civil society organizations became vulnerable. To adapt, organizations have flexibly shifted toward Social Enterprises, Social Impact Businesses, service contracts, or community-based organizations, such as ECUE, BCNV, DRD and SocialLife Institute.

Although domestic resource mobilization capacity is massive (e.g., over VND 10,682 billion raised for the COVID-19 Vaccine Fund and VND 1,646 billion for Typhoon Yagi relief in 2024), these funds are predominantly directed towards short-term emergency response rather than long-term community development.

To transition from vertical to horizontal philanthropy and foster grassroots mutual aid, this research paper proposes three core solutions:

1. **Improve the legal framework:** Build an open legal corridor for non-profits, creating a turning point similar to what the 1999 Enterprise Law achieved for the private sector.

[1] https://scholarworks.indianapolis.iu.edu/items/a7af5038-88b2-4faa-97e0-3d8fbf586e3a

2. **Innovate education:** Integrate social work and community-based philanthropy into school curricula to shift mind-sets from "giving and receiving" to "equal cooperation."
3. **Promote people-led development:** Empower citizens and local groups to directly manage and solve their own community issues.

Harmonizing the large-scale resources of the State / businesses during crises with flexible, grassroots mutual support will be the key to building a sustainable philanthropic ecosystem, working toward equitable development goals by 2045.

1. Starting Points

Following the reunification of Vietnam under a communist party in 1975, the country embarked on a unique developmental path distinct from its Southeast Asian and broader Asian counterparts. Significant transformations in the nation's economic, political and social landscapes have profoundly shaped philanthropic and volunteer activities across several key periods.

The 1975 – 1986 period was characterized by a centralized, state-subsidized economy. Both economic and social activities, including charitable work, were primarily organized and managed by the state. Collective social support movements focused on rebuilding the country from the war's aftermath and advancing socialist principles. During this time, the existence of religious charities, independent social work, community development initiatives and private volunteerism was largely suppressed.

The subsequent 1986 – 1999 period, marked by the collapse of the Soviet Union, saw the successful implementation of the Đổi Mới (Renovation) reforms by the Vietnamese government. This economic liberalization spurred the emergence of charitable activities among the populace. The transition to a socialist-oriented market economy diversified social resources and encouraged the participation of individuals and non-governmental organizations in charitable activities. This era marked a redefinition of charity, shifting it from being solely a state responsibility to an integral part of emerging civil society. Religious organizations, businesses and private citizens began playing more active roles, particularly in poverty reduction efforts. However, it was very oriented from the government from top to bottom (vertical approach)

From 1999 – 2010, Vietnam experienced a boom in information technology and international integration. Charity and philanthropy activities became more professional and organized, adopting modern fundraising methods. Networks of international and domestic non-governmental organizations, in collaboration with charitable foundations, research centres and institutes, flourished. Their focus expanded to specialized fields such as education, healthcare, environmental protection and supporting vulnerable communities, even advocating policy changes. The initiative of organizations was shaped and the social activities moved more horizontally.

The 2010 – 2025 period represents a new turning point. The rapid growth of the internet and social media triggered a "digital revolution" in philanthropy, enabling quicker and more transparent connections between donors and beneficiaries. Philanthropy evolved beyond traditional activities to include sustainable, innovative projects aligned with the United Nations' Sustainable Development Goals (SDGs). This reflected the growing maturity and step-by-step professionalism of Vietnam's philanthropic community, where charity was no longer merely a temporary form of aid but a component of a long-term social development strategy, contributing to a compassionate, prosperous and sustainable society.

However, from around 2018 to the present, the Vietnamese government has tightened control over foreign aid. This, coupled with a shift in donor focus towards internal continental priorities,

has significantly impacted the development of Vietnamese civil society. A particularly notable event occurred on 1 July 2025, when the Communist Party of Vietnam enacted comprehensive government and operational reforms. This included the downsizing or merging of key social affairs ministries, such as the Ministry of Labour, Invalids and Social Affairs and the Ministry of Science and Technology and the Ministry of Agriculture and Rural Development, which has had a profound effect on the legal framework and operational dynamics of domestic civil society organizations.

Given the unique institutional context and the rapid economic, political and social changes Vietnam has undergone over the past 50 years, this paper will further analyze the specific factors behind the parallel development of the country's economic system and community philanthropy. The aim is to provide additional insights into the future trajectory of philanthropic development in Vietnam.

2. Socio-Economic Development in Vietnam

Since the Đổi Mới (Renovation) reforms in 1986, Vietnam has undergone a dramatic transformation with an impressive pace of socio-economic growth. A major milestone in this process was the introduction of the Law on Private Enterprises in 1999, which marked a turning point in fostering entrepreneurial spirit, increasing business confidence in the domestic environment and opening the door to large-scale foreign direct investment.

In the context of regional and global integration, Vietnam has emerged as a promising developing country. According to a World Bank Report (2022), the country has been highly praised for its efforts to "eradicate prolonged poverty and ensure a sustainable economic transition", a key factor in realizing the aspiration of becoming a high-income nation in the near future. This assessment not only reflects the achievements made, but also highlights the importance of social, community and philanthropic activities in Vietnam over nearly four decades since the Đổi Mới reforms.

However, alongside economic growth, the rapid transition has created significant social challenges as well as inequality. Social issues such as environmental protection, healthcare, educational development, protection of vulnerable groups and the enforcement of human rights have become increasingly urgent. Recognizing this, various stakeholders, from government agencies and businesses to civil society organizations and individuals, have made concerted efforts to address these challenges through community development and philanthropic initiatives.

Nevertheless, social initiatives in Vietnam remain largely short-term and have not been well organized and networked within the difficulty of the legal system which is very controlled by the government. “Community development”, “social work” and “community philanthropy” concepts are still very new and not widely understood by general society. The term “civil society” is often considered sensitive, complicating efforts to define the roles of different stakeholders in the nation’s development. At the same time, educational programmes and public policies tend to avoid or hesitate to incorporate these concepts into curricula from primary to high school and university levels. Furthermore, there is a lack of a legal framework that is clear, fair and fosters transparency and ethical practices supporting the sustainability of philanthropic work in Vietnam.

To reaffirm the challenges described above, the 2025 Global Philanthropy Environment Index identifies Vietnam as having one of the most challenging philanthropic environments in Southeast Asia, with conditions deteriorating from 2021 – 2023. The report highlights a centralized, restrictive legal framework where new government regulations have increased administrative burdens and oversight for charitable organizations. Procedures for registration and license renewal are described as "unnecessarily complex and slow” requiring multiple approvals and fees for organizations operating in different locations. These restrictions, along with new controls on public fundraising and partnerships with foreign entities, often hinder rather than facilitate charitable activities.

Despite these legal hurdles, the report acknowledges significant transformations within Vietnam's society and economy. The nation is undergoing ambitious government reforms aimed at achieving high-income status by 2045, including efforts to streamline bureaucracy and promote e-government. This period has also spurred the professionalization of the philanthropic sector. The rise of online crowdfunding and other digital tools is noted as a key trend, transforming how charities connect with donors and the public in general as global trends.

In essence, the report paints a picture of a paradoxical environment. While the government's restrictive legal system creates significant barriers for civil society – particularly for grassroots initiatives – the broader economic and technological shifts are simultaneously driving a more professional and dynamic philanthropic sector. The 2025 Global Philanthropy Environment Index made the following recommendations:

- Provide an enabling legal environment, including passing a new law on associations and transparency in the treatment of philanthropy organizations under the law.
- Build the capacity of philanthropy organizations (resources for financial stability, management capacity, technical expertise, etc).

2.1 Vietnam's Per Capita Gross Domestic Profit from 1985 – 2023

Between 1985 – 2023, Vietnam witnessed remarkable economic progress, demonstrated through the significant growth in per capita Gross Domestic Product. Specifically, from a mere US $238.65 in 1985, this figure increased to US $4,347 by 2023 – evidence of a powerful transformation from a poor nation to one classified among developing countries. According to the National Statistic Office in 2026:

> "GDP growth in 2025 was significant, reaching an estimated increase of 8.02% year-on-year, only slightly lower than the growth rate in 2022 during the 2011 – 2025 period. Within the total value-added growth of the entire economy: the agriculture, forestry and fishing sector increased by 3.78%, contributing 5.30%; the industry and construction sector increased by 8.95%, contributing 43.62%; and the services sector increased by 8.62%, contributing 51.08%."

This achievement reflects Vietnam's comprehensive efforts in institutional reform, industrialization and global integration, which have reshaped the nation's socio-economic position within the region. According to data from 2010, Vietnam's GDP per capita reached US $1,683.46. At that time, Vietnamese Prime Minister Nguyen Tan Dung officially declared Vietnam as a "middle-income country", a historic milestone marking its transition from poverty toward sustainable development.

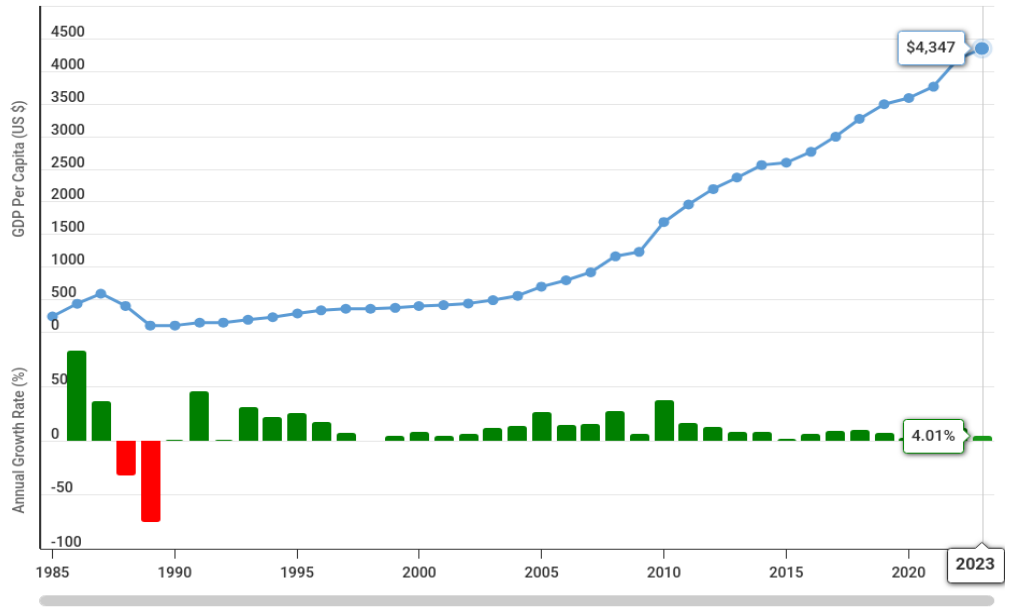


Figure 1: Vietnam's Gross Domestic Product per capita from 1985 – 2023.[2]

With this declaration, Vietnam officially joined the ranks of Southeast Asian nations with middle income status, aligning economically with countries such as Thailand, Indonesia, the Philippines, Brunei and Malaysia. This event held symbolic significance while opening opportunities for economic cooperation and policy dialogue. However, it also limited Vietnam's access to certain sources of international development funds for addressing future societal challenges. Although the departure of international funding agencies from Vietnam to support less developed economies is a logical step, it has been done with a critical failure to prepare local civil society organizations with the necessary capacity and resources. As a result, the very organizations that serve local communities have been undermined.

Notably, on 1 July 2025, the Vietnamese government announced comprehensive reforms in public administration, aimed at helping Vietnam escape the "middle income trap" by 2045 and transition into the group of developed nations like those in Northeast Asia. This milestone is expected to be pivotal in the nation's political, economic and social development journey, and will substantially influence philanthropic efforts aimed at addressing Vietnam's environmental, community, and human challenges.

Following the comprehensive overview of Vietnam's post-1986 Đổi Mới reforms and the resulting growth in per capita Gross Domestic Product, it is also crucial to acknowledge the role of international Official Development Assistance. This aid significantly contributed to Vietnam's successful poverty reduction efforts by encouraging the active participation of community organizations and civil society groups.

[2] https://www.macrotrends.net/global-metrics/countries/VNM/vietnam/gdp-per-capita?form=MG0AV3

2.2 Vietnam's Non-Refundable Official Development Assistance

Vietnam's rapid economic growth in recent decades has led to a shift in the global perception and approach toward international development aid, especially non-refundable Official Development Assistance. Since Vietnam officially entered the group of middle income countries in 2010, international organizations and developed nations began reducing the scale of bilateral and multilateral aid, based on Official Development Assistance allocation principles that prioritize poorer countries.

According to statistics from the United Nations office in Vietnam, the proportion of Official Development Assistance to national Gross Domestic Product sharply declined from 4.8% in 2000 to just 0.012% in 2022.[3] This figure not only reflects Vietnam's increasing financial autonomy and its ability to attract private investment but also signals a gradual transition into a post Official Development Assistance phase, where international support emphasizes the transfer of skills, knowledge and institutional capacity rather than simply providing financial resources.

This reduction in Official Development Assistance requires Vietnam to adjust its development strategies toward greater sustainability, relying more on economic internal forces, institutional reform and stronger public-private partnerships. Simultaneously, it presents a challenge for civil society organizations in securing alternative resources to maintain community support programmes, particularly in underfunded sectors such as education, healthcare, environment and gender equality.

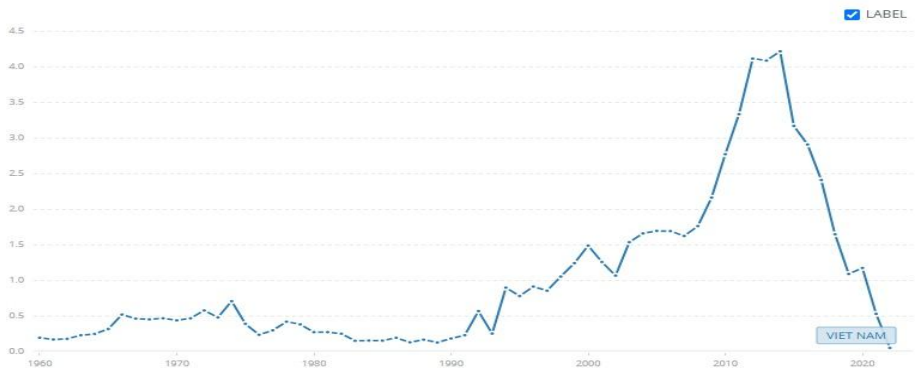


Figure 2: Transformation of development aid in Vietnam from 1960 – 2020.[4]

With the gradual reduction of Official Development Assistance, Vietnam's civil society organizations are facing a critical need to find new ways to fund their work. The traditional reliance on foreign aid has made them underprepared for domestic resource mobilization. This has led to a strategic shift towards more self-sustaining models that blend social missions with business principles. Civil society organizations in Vietnam are adopting several key strategies to

[3] https://data.worldbank.org/indicator/DT.ODA.ALLD.CD?end=2022&form=MG0AV3&locations=VN&start=1960&view=chart

[4] Ibid.

adjust their operations and ensure long term viability, or changing back to the original form for charitable work as follows:

- **Social enterprises:** Many civil society organizationss are establishing small and medium-sized social enterprises. These are businesses created to generate income, with a core mission of creating positive social or environmental impact. Unlike traditional businesses, the profits from social enterprises are reinvested to support their social mission. The law stipulates that a social enterprise must use at least 51% of its annual profits to reinvest in its stated social or environmental objectives. This allows them to create sustainable livelihoods for vulnerable communities while funding their social programmes.
- **Non-profit enterprises and service contracts:** A second strategy involves developing non-profit enterprises that can secure service contracts from international non-governmental organizations or other foreign funders. As the government's role in development shifts, international non-governmental organizations continue to be a source of funding for specific projects. By forming non-profit enterprises, civil society organizations can formalize their services and get paid for their expertise in areas like healthcare, education or environmental work. This allows them to continue their social activities with a more professional, contract-based revenue stream.
- **Social impact business models:** The most transformative shift is the move towards social impact business models. These are businesses that are built from the ground-up to generate both economic profit and social value. This model goes beyond a simple revenue-generating side-project and aims for full financial self-reliance. This is a crucial step for long-term sustainability, as it reduces dependence on any single source of funding, including international non-governmental organizations.
- **Small and medium-sized enterprises:** In some cases, these may operate as a social impact business. This highlights how smaller businesses can be structured with a dual focus on profit and positive social or environmental change. However, based on my own experience, this model is more suitable for small and medium-sized enterprises with community-driven ideas, rather than for civil society organizations that are currently operating entirely on foreign and domestic funding.
- **Community-based organizations:** These are local, grassroots groups that work to address specific community needs, especially in HIV issues. In Vietnam's shifting landscape, many community-based organizationss are the ones adopting new business models to sustain their local work or, if they have a plan, they can upgrade to be a small enterprise.
- **Volunteer groups:** This is a long-standing model used in all circumstances in Vietnam, where volunteer groups apply the charitable model in which volunteers participate completely of their own free will and are not paid. While essential, these groups are often not financially self-sufficient and must find new ways to secure funding, such as by forming a related social enterprise.
- **Charitable organizations / groups:** This is a non-profit group focused on philanthropic activities. Similar to volunteer groups, they rely on donations and are now exploring business-oriented models to ensure their long-term ability to help those in need. This form is carried out by many religious organizations across Vietnam, such as "0-đồng"

(zero-cost) rice kitchens, orphanages and homes for the elderly with no one to rely on, as well as providing support for ethnic minorities in mountainous regions.

While comprehensive research on the effectiveness and long-term success of these civil society transformations remains limited, active evidence suggests these shifts are a testament to the survival driven efforts of civil society organizations. These organizations have demonstrated remarkable resilience in the face of significant institutional, legal and societal challenges. The early signs of this transformation reflect a strategic adaptation, where civil actors are evolving their operational models and engagement strategies to maintain relevance and impact amidst a complex and often restrictive environment. Particularly, the two major urban centres, Hanoi and Ho Chi Minh City, once home to the largest concentration of civil society groups, are now pioneering experimental models of organization. However, observations from the past five years reveal a notable decline in these groups compared to the more robust development of the private enterprise sector over the past three decades.

Typical of these efforts are organizations such as: ECUE social enterprise; BCNV social enterprise; CHOICE non-profit enterprise; DRD social enterprise; Dear Our Community social impact business; the volunteer association “Chung tay vi cong dong”; the “Sac Mau” Volunteerism Group; and, the Social Life Institute Company.

2.3 Government Control of International Aid in Vietnam

Changes within Vietnam’s civil society sector since 2022 have had far reaching impacts on the legal framework and mechanisms for receiving international aid. A series of unexpected incidents occurred, most notably, the arrest of leaders from several domestic registration non-governmental organizations such as LPSD, MEC and GreenID on charges of tax evasion.[5] As of recent reports, a total of seven directors and chairpersons of non-governmental organizations have been arrested, primarily in Hanoi. However, the arrest of Ms. Hoang Thi Minh hong in Ho Chi Minh City for tax evasion has also sparked public concern and created negative sentiment toward domestic social organizations. Because of the lack of sufficient domestic research on this matter, it is argued that the government's actions in controlling civil society organizations that receive foreign aid and perform activities / reporting seen as going against the government's development trends over the past ten years, and this was the lesson learnt from the Chinese model from 2016 (as stated by Luat Khoa, an independent Vietnamese magazine based in Taiwan[6]).

These events sent shockwaves through the civil society sector, raising serious questions about transparency, accountability and internal governance. They also signify the government’s

[5] https://vov.vn/phap-luat/giam-doc-greenid-nguy-thi-khanh-duoc-giam-3-thang-tu-lien-quan-toi-tron-thue-post985425.vov

[6] https://luatkhoa.com/

adoption of a more heavy-handed approach in managing non-profit entities, following years of rapid non-profit sector expansion.

In response, the Vietnamese government has proactively revised and introduced legal policies to more tightly regulate the flow of foreign aid, especially from European and United States governments, which direct resources to promote capacity-building, voice of vulnerable people and policy advocacy activities in Vietnam. Notably, Decree 80/2020/NĐ-CP (governing non-Official Development Assistance foreign grant aid to Vietnam) was officially replaced by Decree 313/2025/NĐ-CP, which took effect on 8 December 2025, while Decree 58/2022 focuses on managing the operations of international non-governmental organizations in Vietnam. These decrees are seen as legal instruments to strengthen transparency, accountability and aid effectiveness, while also preventing financial risks and ensuring legal compliance as well as tightening restrictions on cross-border flows of money.[7]

Since the implementation of these regulations, the approval process for international funding and non-governmental organizations' operations has been considerably tightened. Many civil society groups report difficulty in accessing foreign funds as they once did. An example is Irish Aid, the official development agency of Ireland, which decided to shift its entire funding budget for local organizations away from Vietnamese organizations to neighbouring countries such as Cambodia and Laos.

These developments have created a new landscape for civil society organizations, philanthropy networks and community philanthropy in Vietnam. To adapt, they must now enhance domestic resource mobilization to compensate for shrinking international budgets that typically sustain operations and mission-driven activities. This situation raises the research question of this paper: **how might Vietnam reverse this trend towards a more vertical approach to philanthropy, and return to a more horizontal form of philanthropy?**

[7] https://globalindices.indianapolis.iu.edu/environment-index/themes/index.html

3. Charity and Community Philanthropy in Vietnam

3.1 Concepts of Charity and Community Philanthropy in Vietnam

Charity refers to voluntary acts of helping others, typically driven by compassion and focused on short-term relief. In contrast, community development is a long-term process that empowers local residents, promotes participation and builds internal capacity to sustainably improve quality of life.

Charitable activities in Vietnam stem from deep-rooted cultural and religious traditions. Since the Đổi Mới reforms in 1986, the emergence of non-governmental organizations has significantly expanded the scale and forms of charitable work. However, challenges to operate, manage and expand such as a lack of transparency, legal barriers and the risk of creating dependency have persisted.

The concept of community philanthropy is closely aligned with community development within the social work sector in Vietnam. Based on the work of Jenny Hodgson and the Global Fund for Community Foundations:

> "The concept of community philanthropy is a paradigm shift in development. It moves away from the traditional, top-down model where external donors (the Global North) provide resources to communities (the Global South), who are seen as passive beneficiaries. Instead, community philanthropy is a model of 'people-led development.'"

These ideas are still very new and have not been incorporated into formal education in the country. In fact, only one organization, the LIN Center for Community Development, set up in Ho Chi Minh City as a support organization, actively promoted this concept within the non-profit community. Unfortunately, the Center closed in 2023. Prior to its closure, LIN was instrumental in raising awareness and encouraging the practice of community-based approaches through media campaigns and non-profit engagement.

3.2 The Potential of Community Development

Community development in Vietnam is recognized within the field of social work, a discipline originally rooted in the United States and introduced to Vietnam in tandem with the country's growth before and after the Đổi Mới reforms in 1986. Thanks to long-term policy advocacy and the practical implementation of social work approaches by domestic and international non-governmental organizationss starting in the 1990s, the Vietnamese government officially recognized social work as a professional field in 2005. A key achievement of this recognition is that today, more than 60 universities and colleges across Vietnam offer programmes in social work and community development.

Closely related to the concept of community philanthropy, community development emphasizes the principles of social equity, sustainability and active participation of people throughout community activities. This approach can help address long-term challenges such as regional disparities, poverty and unequal access to opportunities for certain population groups, especially in rural and remote areas of Vietnam. As a result, the government's efforts to promote equal opportunity are often coupled with programmes such as "New Rural Development" and "Sustainable Poverty Reduction", which are designed specifically for rural regions.

3.3 Transitioning from Charity to Community Development

Several organizations such as the LIN Center for Community Development, Action on Poverty, Blue Dragons, Mekong Plus and PeaceTrees Vietnam have applied approaches that focus on empowerment, livelihood development and community-based programme management. Though they may not explicitly use the term "transition", these organizations are applying core principles of community development in practice. This includes a professional five-step transformation process: conducting community assessments; setting strategic goals; mobilizing resources; managing and monitoring activities; and, evaluating project outcomes within the local context.

For example, the LIN Center for Community Development underwent a significant strategic shift in its approach to community development in Vietnam since its establishment. Instead of merely acting as a passive grantmaking organization, the Center positioned itself as a capacity-building catalyst, a bridge connecting various stakeholders including individuals, non-profit organizations and local and international donors. It also became a strategic partner for non-profit organizations and the communities they serve.

Initially, the Center's activities focused primarily on providing small grants to non-profit organizations for community projects. However, recognizing that simply providing financial aid did not address the root causes of issues, the Center shifted towards a more comprehensive model. This change was clearly demonstrated through the development of non-financial support programmes, including:

- **Training and mentoring:** The LIN Center offered in-depth courses and workshops on project management, fundraising, communication and organizational governance. This helped non-profit organizations not only secure resources for their projects but also gain the knowledge and skills to become self-reliant and sustainable.
- **Network building:** The Center acted as a central hub, facilitating collaboration among non-profit organizations, businesses, donors and individuals with shared interests. Events like "Meet and Greet" and "LIN Networking" became valuable spaces for parties to share experiences, seek partners and build strong, lasting relationships.
- **NPO Leadership Development:** With programmes like the "NPO Leadership Circle" and "Impact Accelerator", the LIN Center proactively invested in non-profit leaders, helping them connect with one another, strengthening their organizational management and governance capabilities and learning how to mobilize community resources to pursue their long-term missions.

This strategic shift transformed the LIN Center from a "giver" into a "supporter", creating a powerful collaborative ecosystem. As a result, local organizations no longer solely depended on external funding and became stronger and more confident in solving their own social problems. This model not only made community projects more effective but also contributed to building a professional and sustainable non-profit community in Vietnam.

Simultaneously, these organizations were actively training their staff and local community leaders in community development competencies. These capacity-building initiatives aimed to prepare communities to shift the power to locals if and when domestic or international organizations withdrew. This illustrates that community development closely resembles community philanthropy, where people are empowered to design, plan and implement activities in their own communities, utilizing internal resources rather than relying on external aid.

3.4 The Philanthropy Environment in Vietnam

In 2022, the Peace and Development Foundation of Ho Chi Minh City published the report “A Practical Survey of the Philanthropy Ecosystem in Vietnam.” This study was conducted over two years and involved interviews with various entrepreneurs, community practitioners and managers of non-profit organizations engaged in philanthropic efforts in Vietnam. The report yielded several key findings:

- **Legal environment:** The current legal framework did not support the growth of non-profit organizations. Tax policies were often vague or ineffective in fostering a conducive environment for philanthropy.
- **Corporate involvement:** Many businesses, especially within the FDI sector (which contributes over 30% to Vietnam's Gross Domestic Product), are engaged in charitable sponsorship as part of their rising awareness of Corporate Social Responsibility. This trend had grown significantly in recent years.
- **Priority areas of funding:** According to the report, the most funded sectors included education, followed by community development / social inclusion, and then poverty reduction and job creation.
- **Priority beneficiary groups:** Children / youth, vulnerable groups and women / girls were the primary focus of philanthropic support.

The results from this research suggest that 2022 marked a pivotal moment for organizational development strategy, particularly in sourcing Corporate Social Responsibility contributions from domestic enterprises. The targeted beneficiary groups and thematic areas align with the growing role of businesses as drivers of philanthropic progress in Vietnam. As noted earlier, with the government no longer dependent on international aid and especially given Decree 80/2020 there had been a positive shift toward promoting community-based philanthropy. Non-profits and civil society organizations are now compelled to transition from relying on foreign resources to mobilizing domestic funding. This includes tapping into the expanding affluent segment and socially responsible enterprises operating in Vietnam.

3.5 Examples of Charitable Contributions from Vietnamese Citizens

In recent years, charitable activities involving celebrities and public figures in Vietnam have garnered significant public attention, accompanied by increasing demands for transparency and social accountability. Cases such as MC Phan Anh (2016, mobilized VND 24 billion), singer Thuy Tien (2020, mobilized VND 177 billion) as well as other artists including Hoai Linh, Tran Thanh and Đam Vinh Hung have faced controversy over financial disclosure and fund disbursement. The example of Nguyen Đo Truc Phuong, once celebrated for charitable work but later arrested on drug-related charges, highlights the fragile boundary between public image and personal conduct. More recently, TikToker Pham Thoai (2025, mobilized VND 46 billion to support baby Bap's mother) triggered questions regarding financial management when the community repeatedly requested updates, yet the recipient remained silent.

Regarding government fundraising efforts, two prominent examples include resource mobilization for Central Vietnam's typhoon relief and the COVID-19 Vaccine Fund. According to reports from the Central Committee of the Vietnam Fatherland Front, in response to severe flooding in 2024, particularly after Typhoon No.3 (Yagi), the Vietnam Fatherland Front initiated a donation campaign that successfully raised over VND 1,646 billion from individuals, organizations and the business community nationwide.

As of late 2022, the Government's COVID-19 Vaccine Fund had mobilized approximately VND 10,682.8 billion from 691,142 contributions made by both domestic and international individuals and organizations. Established in June 2021, the fund aimed to socialize resources for pandemic response, specifically to purchase and administer vaccines nationwide. Fund management was conducted by the State Treasury, ensuring transparency and public accountability in accordance with government regulations.

These examples highlight Vietnam's strong domestic resource mobilization capacity, which is currently being utilized more effectively by businesses and the government than by civil society, non-profit organizations and local community groups. However, this funding is primarily directed toward emergency response and charitable activities rather than long-term community development. Moreover, transparency and accountability in mobilizing resources, especially from celebrities, enterprises and government agencies, remains challenging in Vietnam's current philanthropic landscape. There are still no suitable legal frameworks or regulations for agencies and organizations to implement charitable and volunteer activities with adequate transparency and accountability to relevant community stakeholders.

4. Conclusion

Vietnam is entering the "Rising Era", like the General Secretary of Communist Party, Mr. Lam said, with ambitious goals to transition from a middle-income country to a high-income nation by 2045.[8] Supported by a Gross Domestic Product per capita of US $5,026 (2025) and comprehensive national reforms effective after 1 July 2025, including streamlining administrative structures, promoting citizen-centered governance and fostering private sector growth, Vietnam has significant economic potential for building the country. These changes have sparked wide-ranging reform in education and healthcare and reshaped the roles of government, private enterprises and civil society towards a new paradigm.

However, civil society, represented by concepts such as community philanthropy, social work and non-profit development still faces common challenges in terms of public awareness and legal frameworks. While community work seems to change from top-down to bottom-up and then turned back again after 50 years of reunification, the core factor is still the efforts of the ruling Party and Government, which are not resolute in implementing their social goals. This research paper raises an important question: **how might Vietnam reverse the current trend towards a more vertical approach to philanthropy, and return to a more horizontal form of philanthropy?** This leads to the following conclusions and ideas:

- After moving away from international aid, Vietnam has demonstrated that domestic resources are available but are mostly directed toward emergency relief rather than strategic, sustainable community development.
- Resource mobilization efforts have largely come from government and businesses, particularly Vietnamese enterprises, while non-profit and civil society actors still face internal limitations in taking initiative.
- The legal environment remains unfavourable for promoting community development and grassroots philanthropy, restricting the overall progress of the sector.
- Openness to civil society concepts, such as community philanthropy and development, will be a long-term process in Vietnam. It requires education sector inclusion, community level practice and policy advocacy to build a supportive ecosystem for non-profits and community development efforts.

Therefore, to address the question of transitioning from a vertical approach to a more horizontal form of philanthropy in Vietnam, it is essential to gradually resolve the above issues. A priority step is to develop a legal framework that supports philanthropic growth. This will be the basic foundation for creating a transparent, clear environment, similar to how the Enterprise Law of 1999 enabled the flourishing of the profit-driven private sector. With such a legal foundation, Vietnam could confidently promote non-profit development by mobilizing domestic investment for non-profit organizations. Ultimately, entrusting capable non-profit and community

[8] https://vietnamnews.vn/politics-laws/1688695/socio-economic-achievements-provide-foundations-for-era-of-vietnamese-nation-s-rise-british-researcher.html

organizations with the mission of serving the public interest and collaborating with government and enterprises will be key to advancing Vietnam's future transformation.

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The GFCF works to strengthen, harness and demonstrate the value of community philanthropy as an essential element of community-led development and as a strategy for shifting power. Through small grants, technical support, peer exchange and evidence based learning, the GFCF helps to strengthen community philanthropy institutions around the world, so that they can fulfill their potential as vehicles for locally-led development, and as part of the larger global infrastructure for progressive social change.

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