

Non-Governmental Organizations (NGOs) and Development: An Illustration of Foreign
NGOs in Vietnam

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ABSTRACT

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Funding from non-governmental organizations (NGOs) are very important contributions to the implementation of poverty reduction and socio-economic development. To ensure the success of these projects/programs, the role of foreign NGOs and their contribution must be thoroughly understood. However, how to maintain and improve the effective role of foreign NGOs in implementing the projects is a difficult question for policy making agencies in developing country. My research will focus on identifying the concept of NGOs - What are NGOs? What are their functions in development? How have NGOs grown in Vietnam? And what are their contributions to poverty reduction and development process in the country? From the findings, the research will explore and list out the limitations and existing problems of foreign NGOs, and proposed solutions to enhance the effectiveness of projects/programs funded by foreign NGOs to promote long-term and sustainable achievements of the country.

I used quantitative and qualitative methods for my research. For field research, I conducted either face-to-face or Internet phone (Skype) interviews with foreign NGO employees, government officials at central and provincial levels, and local beneficiaries to determine the levels of contribution of foreign NGOs in development. Also, I collected site documents produced by foreign NGOs, stakeholders, and government agencies such

as working reports, training materials, newsletters and websites, and minutes of meetings for my research.

In my thesis, I proposed that in order to maintain the level of foreign NGOs' involvement, funding sources, and to ensure the sustainability of development programs in the country, Vietnamese governmental agencies should continuously enhance their efforts in maintaining and securing more fund from foreign NGOs and international donors by amending related legal documents with simplified and speedy procedures, building capacity for local partners to facilitate foreign NGOs operation in the country and advocate, raise funds and communicate with foreign NGOs and donors more effectively to achieve local needs.

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INTRODUCTION

In the early years of the 21st century, the world continues to see complicated developments, coupled with unprecedented events. The unstable development of the world economy and the economic slowdown of the G-7 nations, climate change which may be provoking an increase in the frequency of natural disasters in many parts of the world, civil wars, conflicts and post-conflicts, complicated religious and ethnic conflicts, have adversely affected the humanitarian agenda, especially aid from Organization for Economic Cooperation and Development (OECD) to developing countries, including Vietnam. Also, with the impressive economic growth over the last decade (6% – 7% annual growth rate), Vietnam is no longer a high priority for development aid by donor countries. Furthermore, more than ever, the economic development pace of the country has, widened the gap between the rich and the poor in the society. Therefore, like other countries in the world, funding from NGOs are very important contributions to the implementation of poverty reduction and socio-economic development process.

Additionally, the collaborative model of international development has emerged during the last 50 years and it requires the partnership between international actors, *outsiders* and national actors, *insiders*. To ensure the success of development projects/programs, the role of foreign non-governmental organizations (NGOs) and their contribution to poverty reduction must be thoroughly understood. Also, there is a need for collaboration between outsiders and insiders in all stages of the project cycle to facilitate effective collaboration. In Vietnam, the role of foreign NGOs in poverty reduction and development projects has been recognized. However, how to maintain and

improve the effective role of foreign NGOs in implementing the projects in Vietnam is a difficult question for policy making agencies in the country. If you want to facilitate the operation of foreign NGOs, you need to have concrete and solid background on the concept of NGOs - What are NGOs? What are their functions in development? How have NGOs grown in Vietnam? And what are their contributions to poverty reduction and development process in the country? What should governmental agencies do to support and facilitate the process to promote long-term and sustainable achievements of the country?

Furthermore, while foreign NGOs' financial assistance does not represent a large percentage of total Official Development Assistance (ODA) to Vietnam, it had been pointed out that "the primary value of foreign NGO efforts to Vietnam may now be their ability to innovate, to experiment with new approaches, to do essential research, to provide high-quality training, and to assist in providing policy makers with good ideas" (Ford Foundation, 2003). In a broader context, understanding of the role foreign NGOs play in the development of a country and as learning organizations has grown. In Vietnam, the significant role and contribution of foreign NGOs in poverty reduction and development process had not been comprehensively explored or documented.

I have a passion for conducting research on the non-profit sector and its role in poverty reduction process in developing countries. I am motivated to do this research because I have been working as a Program Coordinator for People's Aid Coordinating Committee (PACCOM) under Vietnam Union of Friendship Organization (VUFO), the standing agency for the Committee for Foreign NGO Affairs for almost ten years.

Secondly, as B. Doolan (personal communication, Nov. 30, 2001), former Care International Country Representative in Vietnam, says “Working in Vietnam offers a development practitioner a privileged opportunity to be a part of something that is truly historic”, I have worked in the American and Asian Pacific section of PACCOM, and would like to use my experience as well as my vision “*to be a part of something that is truly historic*”. One of my important tasks is to facilitate and coordinate development projects implemented by foreign NGOs that mostly focus on health, economic development, education, social issues and the environment, and concurrently recommend appropriate policies to the government for the effective operation of INGOs in Vietnam. This should facilitate my research.

In that spirit, the purpose of this research is to focus on finding the basic concepts of NGOs, the historical development background of non-profit sector in the country, and from that, to identify the reality of contribution of foreign NGOs in poverty reduction and development. From the findings, the research will explore and identify the limitations and existing problems of foreign NGOs, and proposed solutions to enhance the effectiveness of projects/programs funded by foreign NGOs working in the country. Ultimately, this research aims to provide an overview analysis of the first-hand information to promote learning and policy dialogue between foreign NGOs, local authorities and local partners for increasing the impacts, funding opportunities and capacity building for local actors in implementing development projects.

In Chapter I, I will provide a comprehensive overview of NGOs (who they are, what their main features, and what they are doing now in development process). Chapter

II will focus on the history of operation of NGOs in Vietnam. In this Chapter, I will provide a historical Vietnamese perspective toward NGOs, general overview of what foreign NGOs are implementing in Vietnam with case study is the important contributions from Vietnamese-American Non-Governmental Organizations (VA-NGOs) as a foreign factor to the development cause in the country. This special type of foreign NGOs is also considered as a reconciliation process between people living in a country torn and divided by the Vietnam War occurred several decades ago. This interesting factor will be closely examined in my research. Chapter III will analyze in-depth the contribution of foreign NGO activities in Vietnam in areas of poverty reduction and development during the last decade to illustrate the great need of international players on these fronts in Vietnam.

I used quantitative and qualitative methods for my research which were in both Vietnamese and English. For field research, I conducted interviews with VA - NGO employees to explore the difficulties and challenges that these organizations are facing. For others, I used interviews through Internet phone (Skype) with foreign NGO employees, government officials at central and provincial levels, and local associations involving development and humanitarian projects to determine the levels of contribution of projects/programs funded by foreign NGOs in development. Each interview was tape recorded using a digital recording device with the individual's informed consent. All records are translated and transcribed with the assistance of a native English researcher to ensure the preciseness of my translation. I will collect site documents produced by foreign NGOs, stakeholders, and government agencies such as informational brochures,

working reports, training materials, newsletters and websites, and minutes of meetings for my research.

There are not many academic references related to foreign NGOs working in Vietnam both in the Ohio University library as well as on websites. However, documents, books and articles on foreign NGOs in Vietnam will be primary sources for my research. I will use the reports of PACCOM and the Committee for Foreign NGOs Affairs, Ministries and agencies as perspective of the Vietnamese government. Public documents and reports of foreign NGOs are very necessary references. Additionally, sources of INGO funded project partners will be used as supplementary information for my research.

CHAPTER I: INTERNATIONAL NON-GOVERNMENTAL ORGANIZATIONS

(INGOs) – AN OVERVIEW

1.1. Some basic concepts of INGOs

International non-governmental organizations have a history dating back to the mid-nineteenth century. However, the phrase "non-governmental organization" only came into popular use with the establishment of the United Nations in 1945 with provisions in Article 71 of Chapter 10 of the United Nations Charter for a consultative role for organizations which are neither governments nor member states (The United Nations, 2009).

An INGO is a non-profit organization, voluntarily established by a civil group at either the local, national or international level. Given its mandated objectives and inspired by mutually interested groups, an INGO implements or provides its humanitarian services, working as a channel to convey the concerns of citizens to their government; to monitor the government policy implementation; to encourage the participation of people in political activities at their communities; to provide analysis and knowledge in order to set up an early warning mechanism on negative issues. In principle, INGOs are private voluntary organizations, self-established and self-fundraising based organizations with non-profit purposes.

In the United States, these organizations are generally called Private Volunteer Organizations (PVO), or Non-Profit Organizations. In other countries, these organizations are named People's Organizations. Many other names are given to these

organizations but the most common and popular concept is “Non-Governmental Organizations”.

Some international researchers think that every group, union, or movement established and operated by different individuals with non-profit making purposes will be considered as a non-governmental organization. Under the perspective of non-profit making, voluntary activities, the definition of a non-governmental organization will be interpreted as a corporation “no part of the income or profit of which is distributed to its members, director or officers” (Oleck & Stewart, 1994, p. 10).

INGOs share common characteristics – volunteer, non-profit and non-governmental organizations. These organizations do not represent the government but people and social groups in order to help people or people at home or abroad; therefore, they are referred to as non-governmental organizations.

Vietnam does not have a specific definition on NGOs. Since it is still a new concept, all available books, research, and reference documents are taken from other countries and the United Nations. However, some Vietnamese researchers did give their own perspectives on NGOs. Nguyen (Dang, L. (Interviewer) & Nguyen, D. (Interviewee), 2008) defines NGOs as follows: “*an organization is referred as a NGO when it meets certain conditions such as a social organization with its objective is to address social issues, has non-profit activities, and contains non-governmental directed programs*”.

In brief, based on the nature and the most fundamental common features of being an NGO, we can identify an organization as a “non-governmental organization”, if it has

three following factors: voluntarily and legally establishment, does not belong to governmental administration mechanism, and its purpose is non-profit.

However, in reality, the lines of clarification can sometimes be blurred: some NGOs may in practice be closely identified with a political party; many NGOs generate income from commercial activities they provide through consultancy contracts, sales of publications, and organizing events; some NGOs are also not entirely non-governmental entities because they receive funding from their own government, from other governments, or from inter-government groups such as European Union. The fundamental characteristic of NGOs is that they do not represent their government; they represent their organization which is registered as a non-profit and private entity. Their purpose of operation is to help needy people in the world to meet the basic human needs, get out of poverty, and improve the welfare of the disadvantaged. But there are also a huge number of NGOs with their goals cover a broad range of political and philosophical objectives. However, in this thesis, an INGO is defined as an international independent and voluntary association of people acting together for some common humanitarian purposes and objectives.

1.2 Types of NGOs:

There are several types of NGOs. Professor Peter Willetts at City University of London (Willetts, 2009) and Professor Michael Kuczynski at Pembroke College, Cambridge (Kuczynski, 2009) both give the following definition over different kinds of non-governmental organizations:

Table 1: Types of NGOs

Types of NGOs (Abbreviation)	Full name	Definition and Examples
INGO	International NGO	Organizations where their founding members have different nationalities. Doctors without Borders (Medecins Sans Frontieres), CARE International, and World Vision.
BINGO	business-oriented international NGO	Often involved in corporate social responsibility and ethical business practices.
ENGO	environmental NGO	Global 2000, GEF, and IUCN.
GONGO	government-operated NGOs	May have been set up by governments to look like NGOs in order to qualify for outside aid or promote the interests of the government in question.
QUANGO	quasi-autonomous non-governmental organizations	The International Organization for Standardization (ISO), which is actually not purely an NGO, since its membership is by nation, and each nation is represented by what the ISO Council determines to be the 'most broadly representative' standardization body of a nation. Now, such a body might in fact be a nongovernmental organization - for example, the United States is represented in ISO by the American National Standard Institute, which is independent of the federal government. However, other countries can be represented by national governmental agencies - this is the trend in Europe.

Based on different social and economic backgrounds, different countries have different perspectives on defining and recognizing NGO. In Vietnam, the government concerned authorities defines NGOs based on its operating objectives. Accordingly, there are 3 types of NGOs:

Table 2: Types of NGOs working in Vietnam

Types of NGOs (Abbreviation)	Full name	Definition and Examples
NNGO	National Non-Governmental Organization	Their members have the same nationality. However, obviously there are more and more NNGOs whose operation covers more than one country. Also, in terms of quantity, NNGOs currently still are the majority of non-governmental organizations.
INGO	International Non-Governmental Organization	Less than NNGOs but their geographical working location is spreading all over the world. INGOs should work in compliance with laws and regulations in operating countries
GNGO	Governmental Non-Governmental Organization	Established by the government or totally dependent on governmental budget for their operations such as German Development Services (DED), the German Agency for Technical Cooperation (GTZ), and Netherland Development Organization (SNV). Those organizations provide technical services with non-profit and development purposes to recipient countries.

In this thesis, in order to analyze the role of NGOs in Vietnam, the main objective will be limited to INGOs which are playing a critical role in poverty reduction and the sustainable development process in Vietnam.

1.3 The historical formation of NGOs

The predecessors of NGOs are charity organizations working with humanitarian purposes providing assistance to marginalized people caused by natural disasters, war and poverty. In order to make the best use of the effectiveness from social activities, the humanitarian and charity work should always feature cooperation between the state and its people. One of the principle functions of the state is to ensure the prospects of society, that its people can access education, and have health care and employment opportunities.

Therefore, any state must take good care of social welfare for its people both physically and spiritually by issuing social policies, establishing institutional and organizational structures, and framing the legal system in order to meet the requirements. However, in reality, it is very difficult for the state to effectively cover and address all social issues for every single citizen, and there is a need for humanitarian and charity work to fill up the gap. These activities occur everywhere, from one community to another community, within a community and between people without the involvement of the state.

Humanitarian and charity work started very early in the history of mankind; it is not an “exclusive model” of any country, any society or any ideology. It exists within human, beings initiated by the willingness of people, from the social progress in history. Historians have provided us with much evidence to prove this judgment. In 1,400 B.C, ancient Egyptian stone miners set up a collective fund to help the victims of mine accidents. In ancient Greek, people contributed an annual fee for funeral services or to help their community members to overcome living difficulties. Carpenters, blacksmiths, potters and tanners of ancient Rome, in the 8th century B.C, formed their own interest group, a mutual aid group. And in the 11th and 12th century, under the influence from the Church, many charities, and relief organizations were founded, especially among the working class. And due to the social injustice occurred since 14th century, the movement of these mutual aids became well-organized with the establishment of various vocational associations. This situation also happened in ancient China and India, in Asian, African, Latin American countries, but obviously the progress differs depending on the level of social and economic development.

This situation continues during the early 19th century, with the prevailing of capitalism, the gap between the rich and the poor, the bourgeois and working class, was getting wider. The astonishing French revolution and 1848 Constitution created a shocking wave throughout Europe. It promised “helping street children, handicap, and homeless elder people”; it also recognized the rights of people to establish associations. However, with the coup d’etat led by Louis-Napoléon Bonaparte on December 2, 1851, these rights were stripped except for the mutual aid and humanitarian work. In the late 19th century, NGOs such as Red Cross, branches of Christian church (Quakers Services, Franciscans...), Bahá’i’s International Alliance, and Rotary Clubs appeared and provided its services, all continuing their work today. In the United States, non-profit organizations in health, education, humanitarian and charity also began to render their assistance to victims of social inequality. There is an argument that non-profit organizations (NPO) are strongly affected by their country’s culture and this feature is the unique characteristic of *practical American* – but non-profit activities have been practiced by many different cultures during the history of mankind (Lohmann, 1992, Gidron, Kramer, Salamon, 1992, Robert D. Herman, 1994).

At the very beginning, these charity associations only focused on the activities within their own communities and had a scatter operation. Later on, they reached out to other colonial areas in Asia, Africa and Latin America under missionary delegation. The history of charity organizations (the precursor of current NGOs) varies but these organizations have one common motivation – relieve the suffering of human kind. In 1859, Jean Henri Dunant – a young Swiss bank owner witnessed the aftermath of the

Battle of Solferino, Italy in which there were thousands dead and injured being left on battle field. His memories and experiences in the book *A Memory of Solferino* which became the inspiration for the creation of the International Committee of the Red Cross (ICRC) in 1864 (Nobelprizes.org, 2009).

Later on, from the same perspective, Save the Children UK (SCF/UK) was created to raise money to send emergency aid to children suffering as a consequence of the wartime shortages of food and supplies, which continued partly as a result of the blockade by Allied power during the First World War (Save the Children UK, 2009). Also coming from the UK in 1942, OXFAM was first established with its first initial concern was the provision of food to relieve famine which occurred in Greek communities living under the occupation of Nazi Germany during World War II. They are NGOs with the initial purpose of carrying out humanitarian relief during the wars.

In spite of having a long history of implementing charity and humanitarian work, only after WWI and especially WWII, NGOs then became a strong instrument of social change around the world, working both in industrialized and developing countries.

The two horrific world wars created numerous tragic situations for human kind; such as death, diseases, poverty, and migration, which inspired the people's conscience to organize and act. There are also many other catastrophes threatening the well-being and life of people such as environmental degradation, exploitation of natural resources, green house effects, the depletion of the ozone layer, and most currently, the global economic crisis. Adding to that gloomy picture, many merging issues such as debts, hyper inflation,

unemployment, overpopulation, immigration, illiteracy, and chronicle epidemics (HIV/AIDS) are challenging the world and our future generations.

Furthermore, how can we reach the sky, discover the Universe, conquer the Moon, land on the Mars, and control over thermonuclear energy, build the Channel Tunnel, have the highest skyscraper, the longest bridge, and the fastest vehicle but not handle poverty? It has been estimated that 4.8 billions people had consumption levels below \$1 and 2.5 billions lived on less than \$2 a day. Income per capita in developed countries such as the USA, Japan, Switzerland, and UK is 300 or even 400 times higher than those who live in developing countries. And this situation is getting worse¹. Poor countries cannot pay the debt to rich countries, to the World Bank or other financial institutions.

No single state can handle these disasters without the involvement of people. No single currency can alone solve these global issues. Fully aware of the huge debts that the South has unpaid to the North, as well as the debts between the rich and the poor within their own country, people in developed countries started setting up voluntary-based humanitarian and relief organizations then expanded it into much more difficult and poorer countries, especially after the world wars.

After the 1960s, the Northern NGOs extended their operation to developing countries in Latin America, Africa, Asia, and Oceania. Also, at these developing countries, people founded NGOs to assist their governments in dealing with social issues.

¹ “The world's richest individuals have a combined income greater than that of the poorest 416 million; 982 million people out of the developing world's 4.8 billion people live on \$1 per day, and another 2.5 billion (40% of the world's population) live on less than \$2 per day. In addition, the poorest 40% of the world population accounted for 5% of global income in 2005, the richest 20% accounted for 75% of world income, and the richest 10% for 54%.” (UNDP, 2005, p. 4).

The non-governmental activities shifted from humanitarian relief into development, became worldwide movement, connecting INGOs with NNGOs, considerably impacting international relations and social development.

The development of humanitarian activities based on the needs of society, with the improvement of people's awareness, and level of literacy, humanitarian work needs to be organized to achieve effectiveness. Therefore, humanitarian work promotes the formation of NGOs. Moreover, NGOs can address emerging social issues that the government could not cover due to the lack of resources, especially those that are at grassroots levels. During this period, with the assistance offered from INGOs and religious NGOs, the local and national NGOs came into social life and became an active movement in 1980s, 1990s and early 21st century.

1.4. Funding sources for NGOs

Except for some cases of having assistance from government, most of NGOs have limited finances. Their main resources are from the contributions of individuals, memberships, and their programs/projects are short-term with a limited number of staff. NGO projects vary in size from a few dollars to several million. This is an advantage of NGOs since they have a streamline mechanism, are quick to respond to the needs, and have less administrative procedures. Therefore, the governments in developed countries are paying more attention to providing assistance to NGOs and using them as the secondary channel in official development aid (ODA)².

² "The disadvantages of NGOs include a generally weak financial base and administrative structure and limited technical capabilities. Many NGOs are small and by themselves cannot be expected to cover large population. The challenge is to retain the NGOs' expertise and energy while simultaneously enlarging their financial and administrative bases." (World Bank, 1992, p. 97)

Even though NGOs are non-government related organizations, funding from governments and inter-governments still accounts for a large proportion of their financial resources. As early as 1950, the United States recognized the role of NGOs when it issued several policies to give financial support to these organizations. “In 1940, there were only 12,500 secular charitable tax-exempted organizations; today there are over 700,000... The effort to treat nonprofits as an institutional sector in the national Income Accounts dates only from 1980.” (Ott, 2001, p. 112) The previous US regulations required that bilateral aid (excluding food assistance programs), must at least channel 13.5% of their total funds through governmental sectors; this increased to 15% in 1987. Based on a survey of the 205 largest NGOs in the North Atlantic, there are over 79.7% American NGOs that depend on governmental budget (of which, 36.3% is largely dependent) and only 21.3% are completely independent. The US government allocates 32% of its funding, both bilateral and multi-lateral aids, through NGOs in international operations³.

This situation also occurs in other developed countries. In the Netherlands, since 1946, the government and NGOs have co-funded development programs which are being implemented in developing countries, and where the contribution from the government is approximately 6-7% of ODA. Accordingly, governments in Germany and Sweden (1962), Australia and Norway (1965), Canada (1968), Belgium (1976), and France (1977) have the same policies. The Canadian International Development Agency (CIDA) also established a functional agency to facilitate other INGOs in developed countries

³ According to John Clark, the number is only 11.1%. The figure of 32% may be more accurate since American regulations define that a proportion of 15% is allocated through NGOs (Clark, 1991).

which are conducting development programs in developing countries. This is in contrast to the developed countries' opinion that each country should only offer assistance to its own NGOs. (Sovereignty International, Inc., 1995)

Some NGOs do not want to receive financial funding from their own government because they are afraid of losing their independent features. However, these organizations are only a minority. Those who receive funding from the government realize that "they are less flexible, slower to respond to the needs than ten years ago to continue their development programs". Also, when some NGOs have only one funding source (from its government) then "it becomes a standing agency in governmental structures, established with the purpose of operating in private voluntary sector". Having in mind that their mandates and objectives will be subjected to change due to some *guidelines* from funding governmental agencies, NGOs are trying to diversify their funding resources (Clark, 1991).

As long as NGOs are continuously receiving funding from international donors, foreign NGOs, governmental agencies, then their goals and objectives, to some extents, are still dependable on the will of their donors. And because of that, they are still on their long ways to be a truly independent and effective actor for the development of the country.

In order to define the characteristics of an NGO, we need to look at the organizational and operational mechanisms, not just the funding resources. Furthermore, we also need to examine the nonprofit activities, as it is a critical feature of an NGO. These features will be closely researched and discussed below.

1.5. Features of NGOs

1.5.1. Education about development

NGOs (especially the Northern NGOs) pay special attention to development education – through activities to educate people living in developed countries to understand the poverty that developing countries are facing. By giving related information, NGOs can mobilize the contributions (both in kind and in cash) to development programs in South countries. This is closely relating to the functions and objectives of NGOs: they realize that to solve the root problems of poverty, humanitarian relief is not enough. Instead of giving *fish*, they should provide the poor with *the fishing rod*. But the *fishing rod* itself cannot properly handle the problem, so poor people also need to be given the knowledge of *how and where to catch fish, which stream current should have fish*. People in the North, in general, are easily moved by the devastating images caused by wars, conflicts, and disasters, so they are willing to contribute funding to help emergency relief activities. But the sustainable development programs such as irrigation, dike construction, forestations, and vocational training often draw less attention. Take poverty in Africa as an example. Africa is always considered as a poor continent and in need of humanitarian relief. But, this continent is not born to be a slave and its poverty resulted from exploitation, slavery, and colonialism. Africa is diversified and rich cultural heritage, but look at what civilized people from the west did to this continent. European settlers claimed themselves as “the first race in the world” and “the more of the world we inhabit, the better it is for human race” (Wafula, 2008, p. 17). They and missionaries came to this continent; they stole not only the land but also resources.

“What Africa needs in reality is not the restoration of ‘lost souls,’ but a recovery of their stolen economy.” (Wafula, 2008, p. 14) They were poor to make colonized countries to be rich by extracting raw materials to meet the increasing demand of industrialized process back home. Then, few hundreds years later, developed countries blamed the poverty of African countries on their lack of natural resources. Therefore, the important tasks of NGOs are to raise awareness of Northern people toward the huge debts that Africa in particular, and other developing countries, in general, have suffered, and to correct the wrong thinking that laziness, climate and geographical conditions are the reasons of poverty.

NGOs in both North and South comprise a broad image in which they adopt widely differing styles, differing approaches and different targeted groups, but increasingly they share a common perspective on failure of the conventional development models to address the problems which need to be tackled. There is a growing consensus that present world priorities serve neither the interests of the poor nor the environment. And by building strategic collaboration with dissidents in related fields of economics, planning, and theology, and who may lack grassroots experience, NGOs can provide the foundation for an international movement for a real change with the slogan as “*think locally, act globally*” (Clark, 1991, p. 204).

1.5.2. NGOs as a two-way communication channel between the have and the have not.

An important function of NGOs is to operate as a two-way communicating resource between the poor and the better-off people. The NGOs’ ability of mobilizing more funding through different channels helps more people become involved in

facilitating development work in developing countries. NGOs both in developed countries and developing countries carry out the fundraising activities through various sources, from individuals, governmental organizations, international organizations, and business sectors located at the project implementation areas. NGOs have been trying to help the poor people living in remote areas access information and skills, which would help them, become better equipped for the political, economic, and technological processes in society.

Increasingly, NGOs are receiving money through the ODA for their development programs. NGOs have been trying to diversify their funding resources, avoiding the use of single funding, especially from government agencies, since they want to preserve their features of independence and flexibility.

NGOs also work as a bridge by providing information on what they witness while operating at the local level for government organizations, international agencies, and business sectors. They are the voice of the poor people in the world and making demands to policy making agencies in an attempt to develop changes through development programs and other initiatives against the programs and activities that may harm the poor. They also provide local situations and convey the messages of poor people to large organizations – to those who normally do not have adequate information on the actual needs of the poor.

1.5.3. NGOs fill the gaps that government or business sectors cannot cover

From the concept, definition, and functions of NGOs, we can see that NGOs can participate in international development through filling up the gaps where the hands of

government agencies and business sectors are unable to reach out. In society, there are many needs which normally cannot be met, especially in these times when many emerging issues and government and business sectors cannot cover every single problem, such as environmental issues and negative sides of urbanization. Then, there are gaps that authorities are unable to or do not want to reach out to handle and NGOs will be there to fill up these gaps. For instance, looking back to history, there were many works done by humanitarian organizations (e.g., the Red Cross) during wars or conflicts where the states are at war or have no direct diplomatic relations such as prisoners and wounded soldiers exchanges. Today, global issues such as HIV/AIDS, human trafficking, and environmental protection go beyond a country's boundary and need to be handled at a worldwide level. A single country or government cannot effectively handle by itself, it needs the help from outsiders and foreign NGOs is one of the best active force that provides assistance to cover that gap.

Realizing the important role of NGOs in development issues, the United Nation strongly supports the improvement of NGO development. In 1994, the General Secretary of the United Nation, Boutros Boutros-Gali (1992-1997), points out that the NGO is the basic form which represents the people. Another General Secretary, Mr. Kofi Annan (1997-2007) also states that "The United Nations once dealt only with Governments. By now, we know that peace and prosperity cannot be achieved without partnerships involving Governments, international organizations, the business community and civil society. In today's world, we depend on each other."⁴ The important role of NGOs has

⁴Speech at "Markets for a Better World", 31 January, 1998 at the World Economic Forum, Davos, Switzerland. (United Nation, 2009)

been affirmed by the United Nations, they are considered as *indispensable partners* in "*the process of deliberation and policy formation*" as well as in "*the execution of policies*" (Global Policy Forum, 1999).

That's the reason why the United Nations agrees that without information provided by NGOs, UN activities would face many difficulties. For example, in human rights issues, the UN needs assistance from Amnesty International; in environmental preservation, the International Union for Conservation of Nature (IUCN) or World Wildlife Fund for Nature (WWF) will be called in. The UN considers NGOs as one of three entities for civil society (the other two are mass media and the business sector). It can be said that the strong development of civil society is the principle for the formation and development of NGOs.

The concept of civil society has been defined by many academic scholars. For example, the Center for Civil Societies under the London School of Economics gives the definition of civil societies as:

"Civil society refers to the arena of uncoerced collective action around shared interests, purposes and values... Civil societies are often populated by organizations such as registered charities, development non-governmental organizations, community groups, faith-based organizations, self-help groups, social movements, and advocacy group." (Centre for Civil Society - London School of Economics, 2004)

The role of civil society has been strengthened and played a critical part in social development. In developed countries, the civil society is well-developed, and people

participate in handling many social problems, providing useful helping hands to government agencies. Civil society can help balance government policies, promote democratized process, and avoid policy devolution. Since their operations are at the grassroots level, the activities of NGOs are much more effective than those of government or international agencies, especially in emergency, humanitarian relief. However, sometimes, as the so-called representative voices of the people, NGOs have gone beyond their functions, causing trouble to local authorities by interfering with the policy execution process. For instance, NGOs claim and prevent the relocation program for ethnic minority people to build hydro power station in mountainous areas. On the international level, the impacts of the voices of Amnesty International and Asia Human Rights Watch are sometimes more important than that of a government, especially for the funding process. Their critics over human right violations in one country can easily prevent that country's efforts in gaining more funding or development aids from the government of developed countries as well as international donors.

In socialist countries, civil society is composed of people-founded organizations, such as the Red Cross, labor unions, farmer association, and churches. In capitalist countries, NGOs connect to both people and other social sectors. NGOs' operation reflects certain ideological movements during a period of time; to reflect the perspectives and desires of people to participate in managing society. They might create a public pressure at national and international levels which brings benefit to people in monitoring and evaluating the government activities. However, this pressure does not have major impacts since NGOs' resources are limited: their activities are widespread and badly

organized, the permanent members are limited or even none, and conflicts within an organization also contribute to the unconcensus on every decision. Moreover, the strength of NGOs depends on the funding and the influence of core members. Local NGOs in developing countries are receiving more and more support from the North with priority given to those who are in opposition with government. This is considered as the beginning of “*democracy*”, “*civil society promotion*”, and “*human rights protection*”.

Therefore, there is a strong interaction between the development of civil society and the role of NGOs in social and development issues.

1.6. NGOs operation in the world

For much of the developing world, the last few decades of the 20th century was a time of significant transition with democratization and economic liberalization greatly influencing cultures and societies. Therefore, NNGOs in the south are evolving accordingly with the new tendency. However, NNGOs in developing countries do not generally enjoy the same level of trust as those in the developed world. In developing countries there are often fewer “big brand” NNGOs and more grassroots NNGOs, which often have more difficulty in attracting professional staff. This can create management difficulties for the NNGOs, as well as affecting their capacity to engage with large-scale programs. Today, in most developing countries, INGOs are working in collaboration with NNGOs. And, nevertheless, NNGOs in developing countries are on the way to affirm themselves in poverty reduction and the development process (SustainAbility, 2004).

One of the surveys of the growth of NGOs activities in the South is the one carried out by the People’s Aid Coordinating Committee (PACCOM). In Thailand, there

are 64 INGOs and about 15,000 non-governmental associations or foundations established by Thai people (but there are only 200 organizations that are actually active with concrete projects and programs). In spite of having voluntary organizations since the 19th century, more than 60% of Thai NGOs have been established since 1984. In the Philippines, the figures are from 40,000 to 50,000 non-governmental organizations, of which 32,000 organizations are collective⁵.

In China, there are more than 180,000 organizations self-identified as NGOs, including associations, foundations, and Chambers of Commerce. According to the State Council Regulations on NPOs, there are three primary forms of non-governmental, not-for-profit organizations (NPOs) such as Social Organizations (SOs) (*shehui tuanti*), Foundations (*jijinhui*), and Civil Non-enterprise Institutions (CNIs) (*minban fei qiye danwei*) (United States International Grantmaking, 2008).

In Latin America and the Caribbean (LAC) countries, NGOs activities also focus on dealing with poverty, illiteracy, and social marginalization. With their growing involvement in social issues since the 1960s, NGOs in the LAC region have played a critical role in promoting civil society, preserving environment, and defending the threatened cultures. The number of NGOs in LAC countries is flourishing. In Mexico, the latest data suggests that there are some 10,000 organizations, many of them dating back a very long time, involved in a wide variety of different areas of humanitarian and development work (Balbis, 2001, p. 26).

⁵ According to John Farrington, there are 18,000 NGOs registered as voluntary organizations. Most of them are humanitarian organizations, the others are development organizations. The disparity might result from the registration issue (Farrington, & Lewis, 1993).

The development of non-profit organizations also occurs in almost every developed country. With the long-term tradition of charity, humanitarian and development activities, NGOs in the north are continuing their efforts and commitments to address long existing as well as emerging issues that threaten the inequality and sustainable development in the world.

The general overview of NGOs activities in several countries where non-profit operation are being conducted, both qualitatively and quantitatively at large scale will be presented as follow:

Non-profit organizations in the United States play a critical role in social activities, not only in the U.S but also in the world. They are being viewed as "are to no other kind of organization in their importance in American (and increasingly in all modern/industrial) society" (Oleck & Stewart, 1994, p. 1). Charitable organizations have historically been defined in large part by reference to their status as organizations exempt from taxation under specific provisions of the Internal Revenue Code including Sections 501, 521, 526, 527 and 528. In fact, these organizations were the fastest growing sector of the American economy from 1975 to 1995, increasing its proportion of the national income from 5.2% to 5.7% between 1975 and 1984 and jumping to an astonishing 8% of the gross domestic product by 1990. As of 1992, there were more than 1,140,000 tax exempt organizations, including 546,000 Section 501(c)(3) organizations (charitable organizations including churches) with 260 million members. These organizations have an average annual budget of \$125 billion, of which \$56.7 billion are from church contributions (Ott, 2001, p. 138).

But most of these non-profit organizations are small-scale organizations; only 23,000 of the above mentioned organizations are ranked as large-scale ones. And 10,000 organizations allocate 2% of their total funding for international activities, which is equivalent to \$2.5 billion. The role of Private Voluntary Organizations/Non-governmental Organizations (PVOs/NGOs) is already considerable in the United States program, particularly given the high level of contributions coming from PVOs/NGOs' own resources. USAID channeled well over 30% of its aid through PVOs/NGOs (as of 1996-97 according to USAID statistics) and may raise this level even further (Organization for Economic Cooperation and Development, 2007).

In the UK, there are over 400,000 organizations, of which 170,000 are officially registered but only 100 organizations have international operations. In France, 700,000 associations are currently employing 850,000 paid staff to conduct development work with a total annual funding of €1.53 billion.

The Swiss government has made poverty reduction a main objective of its foreign and development policy. Therefore, cooperation with civil society organizations is an important feature of Switzerland's development cooperation. The Swiss Agency for Development and Cooperation (SDC) has partnered with NGOs since its foundation in 1961, and the relationship between NGOs and SDC has since then developed into a variety of co-operation schemes with nearly 30% of Swiss ODA managed by civil society organizations (The German Foundation for World Population, 2007).

In general, it has been proved that all Western NGOs mainly focus on fighting poverty around the world, building social structures, providing food, as well as

emergency assistance and first aid, and assistance for refugees, but also supporting educational development and making problems of developing countries known to the public.

In the East, for historical and cultural reasons, my research will take closely look at Japan as an example of non-profit activities in the East. The Japanese NGOs/Citizens/Non-profit sector used to be considered as a 'less developed' country in terms of non-governmental activities but over the last 10 years, the situation has changed. Following the spread of Japanese private investment and ODA around the world, Japan has come under pressure from abroad to take on greater leadership and responsibility in the international arena. Also, during the last 10 years, Japan has risen as an economic power and a major donor, leading to increased expectations and demands on Japanese NGOs as well as other NGOs in developed countries and UN agencies. Traditionally, in Japan, only the government and business sectors are thought to play an important role in building, maintaining and promoting social prosperity. The Earth Summit, held in Rio de Janeiro, Brazil in 1992, increased people's attention to global environmental issues and the role of NGOs in this area. Japanese NGOs began to see attitude changes in government and the business sector. And only after the 1995 Great Hanshin Earthquake - one of the most devastating earthquakes ever to hit Japan, caused a great loss of life (with more than 5,470 were killed and over 33,000 injured) and the high level of destruction (DIS, Inc., 2007), did Japanese society realize the role of voluntary work, community spirit, and the civil or *independent* sector plays in Japanese society. The NGOs' Aid Assistance Division under the Ministry of Foreign Affairs, the lead agency on foreign

aid, has begun emphasizing the importance in projects conducted by Japanese NGOs that provide grass-roots activities in developing countries (Yamakoshi, 2007). Thanks to that change in the policy, Vietnam like other developing countries, can receive and benefit the increased funding and operation of Japanese NGOs in the country. (see Table 3)

Table 3: Japanese funding allocation

Year	Total funding	Grand aid	Vietnam (through Japanese NGOs)
2006	¥164.4 billion	¥110.4 billion	¥230 million
2007	¥169.9 billion	¥112.2 billion	¥ 195 million

(Source: JICA in Vietnam, 2008)

During recent years, together with the globalization process, scales and fields of operation conducted by NGOs have expanded and changed with more focus on new emerging issues through the worldwide network, such as environment, children and women trafficking, and sexual abuse prevention. Therefore, it can be said that the operation of NGOs reaches almost every corner of society. As a rule, all social issues need some kind of intervention which governments cannot always provide due to lack of resources. Consequently, NGOs must intervene, many times at the request of the government, to conduct humanitarian and development projects in those areas.

1.7. Operational methods of NGOs

One of the primary differences between an NGO and a governmental agency is that an NGO does not represent government; it does not work on behalf of government to implement governmental policies. However, an NGO must operate on the requirements of target objectives that are the beneficiaries of the development program conducted by this organization. Additionally, donors provide funding to NGOs either in-country or

overseas; in implementing humanitarian and development programs, the partners of these NGOs are not necessarily mass organizations or governmental agencies.

However, even the target objectives of an NGO are the program beneficiaries but this NGO cannot force them to participate in project activities. It means all NGO operational methods depend on the voluntary participation, the enthusiasm and the concerns of community members of whom are project beneficiaries. The difficulty that NGOs may have to face is how to encourage all stakeholders to get involved with project activities. If the level of participation is high then it will be strength of the project since it shows the people's evaluation of project activities. Otherwise, it proves that project activities are not effective or suitable to achieve project objectives, especially for long term and sustainable benefits.

In certain circumstances where the main priority is to change the poverty situation, the most important task that an NGO has to achieve is to understand not only the current but also the past as well as the comprehensive and diversified future conditions of local areas in order to find out an appropriate and sustainable solution to address the problems. This is a long-term solution to help the project beneficiaries to maintain and continue developing the outcomes of the project, even when the NGO-funded project is complete.

While emergency relief can only provide timely support to meet the urgent needs of the victims but not the long term solution, development aid promises to bring a model of self-reliant development but it may contain a high level of risks and failures to achieve the project/program objectives. In the field of development, NGOs cannot forecast the

difficulties during the feasibility study to outline a proper and effective development program. In order to have a full understanding of local situations, needs and requirements, and problems and solutions, NGOs need to be patient and give the recipients time to become self-reliant. Additionally, NGOs need to have imagination in order to adapt to the local circumstances. In many developing countries, development is still a new concept theoretically, methodically and practically. Unfortunately, by-the-book development programs cannot be applied from one country to the other due to the differences in geography, nature, cultures, customs and people. Therefore, in any society, particular and special circumstances need to be paid attention to. We cannot design a specific *package* of development programs and solutions for developing countries without consultation with local beneficiaries, or without considering local initiatives. The effectiveness of the program can be achieved if NGOs focus on small-scale projects as well as giving priority to design a comprehensive, strategic plan. Quality is more important than quantity, for example, improving an educational curriculum is more important than just constructing a school. And a development practitioner needs to understand that a successful project does create chances for the community to fully participate in the development process.

CHAPTER II: NGOs IN VIETNAM

2.1. Vietnamese perspectives toward NGOs

In the spirit of “*the healthy leaves cover the torn leaves*”, in Vietnam, humanity and charity is a long time national traditional feature. The ethnic minority communities in Vietnam are collectively well-known for providing assistance when needed to each other. The meaning of the proverb such as “*the healthy leaves cover the torn leaves*” became the moral standard for being a Vietnamese person. Emergency relief and helping each other in difficult situations are the shared work of government and its people. The very first self-help foundation, Relief Grain Fund (the Fund), is a good example of the proof of the voluntary charity work in Vietnam. The Fund was a long-time, well-established association at a grass-roots level in almost every rural community in Vietnam. According to Vietnamese researchers, this kind of association first appeared at the beginning of the 15th century when the Le Thanh Tong King (1460-1497) ordered wealthy people to contribute a certain amount of rice to community-funded storage in exchange for a mandarin’s title. This storage would be used for emergency relief in critical conditions such as bad harvests or epidemic disaster.

The Fund is a village regulation. It is obviously a type of democracy and collective. For example, the Fund in the Đề Kiêu village, Bac Ninh province in Tự Đức Dynasty (1848-1883) regulates certain conditions of responsibilities, such as paying one *đấu* (20 kg) of paddy for every *sào* (360 m²) and the Fund only can be used in critical conditions such as bad harvest or epidemic disaster, village member who is over 18 years old has the right to participate in the discussion and vote on issues relating to the Fund.

In 1860, Tự Đức King issued a Royal decree on the Fund which had an effect to both in the North and the South. There are two types of the Fund. One is established by private contribution under the form of paddy and money, and the other is established by village contribution under the form of public cultivating land and the village budget.

Therefore, there was coordination between government and people, every locality had its own Fund and the government had more resources in providing emergency relief, stabilizing socio-economic situations, and limiting speculation. According to the index issued by the Vietnamese Statistic Bureau, in 1875, eight communes in Khanh Hoa province contributed to the Fund with total of 3.9 tons of paddies and 2,500 tael of silver.

As of the early 20th century when the French colonized Vietnam, there were many people-founded associations that had been established with the combined mission of social activities and revolutionary work. The following is a very typical type of social organizations during that time.

Phan Bội Châu⁶ established the revolutionary organization called the *Reformation Society* (Duy Tân Hội) in May 1904, and then initiated the *Dong Du movement* (Go East movement). At the same time, he appealed to the reformation of custom and society, propagated the *script of the national language* (Chữ Quốc ngữ) and the promotion of industry and commerce. At that time Vietnam was still a half-feudal and colonized country with an agriculture based economy. According to Phan Bội Châu, "We have to organize common interest groups, letting people know that there are many people-founded organizations which are working to promote a better society. If we can do that, then it will create favorable conditions for the movement".

⁶ He was a pioneer of Vietnamese twentieth century nationalism (http://en.wikipedia.org/wiki/Phan_Boi_Chau)

In 1907, the *Free School of the Eastern Capital* (Đông Kinh Nghĩa Thục) was created by Phan Chau Trinh⁷ with the purpose of attacking the brutality of the French occupation of Vietnam; but, he also wanted to learn modernization from the French. The school required scholars to renounce their elitist traditions and learn from the masses. It also offered the peasants a modern education. One of its achievements was a series of free public lectures with animated discussion and debate around various theories of modernization and western ideas. The Duy Tan Movement was also initiated by him, and focused on promoting commerce, establishing business associations, farmer associations, gardening, encouraging Vietnamese people to use domestic and local products, and developing the handicraft industry. Additionally, in Vietnam during this period, there were many associations which were formed across the country with the objectives of financing, charity and common interests.

During the World War I (1914-1918), there were many underground societies that appeared in the South of Vietnam. These societies, such as Heaven and Earth Society, Fraternity Association, Vietnam Restoration League, and Patriotic League, were considered one of the biggest farmer movements in the early 20th century. All of them are religious related movements but they were used as a means to assemble people against feudalism and imperialism, thus protecting the rights of poor farmer. Therefore, 65% of the total members of these Leagues and Societies were farmers.

In 1937, the Indochina Communist Party made policies that used various forms of association to assemble people such as the Indochina Youth against Imperialism

⁷ He was a famous early 20th Vietnamese nationalist. He opposed both violence and turning to other countries for support, and instead believed in attaining Vietnamese liberation by educating the population and by appealing to French democratic principles. (http://en.wikipedia.org/wiki/Phan_Chau_Trinh).

Federation, Popular Relief League, Worker association, Farmer association, Woman's Union. However, the most popular organization that attracted many workers, handicraftsman, small traders, and government officers to join was the Fraternity Association. In rural areas, farmers set up various organizations and associations such as cultivating groups, harvesting groups, family/small business groups, hunting associations, folk dancing groups, and mass education organizations. Also, students had their own self-established groups such as sports, drama, scouting, and reading leagues.

Additionally, humanitarian associations, orphanages, and fraternities in mutual assistance groups were also set up in many cities in Vietnam. Religious organizations conducted many humanitarian and charitable operations such as the St. Pedro and St. Fanciscaine orders.

After the August Revolution in 1945, one of the first requests of President Ho Chi Minh was to establish a national rice fund for starvation emergency relief. As Ho Chi Minh stated,

Those who barely escaped from starvation [caused by French colonialist and Japan imperialist in 1945] are now being threatened from starvation again [caused by serious flooding], what should we do to help them survive. I hereby respectfully request the government to launch an increasing agricultural production movement. While waiting for corn, sweet potato and other substitution foods which may be available within the next 3 or 4 months, I request to have a donation campaign which requires every Vietnamese citizen to skip a meal of

every ten days. The amount of rice that we save can be distributed for poor people (Ho Chi Minh, 1984, p. 14).⁸

This campaign became a custom later for every Vietnamese household to save rice to help poor families or to contribute to the national warehouse serving the army during the wars.

On the December 27, 1946, President Ho Chi Minh once again appealed to “increase the agricultural production, not let any meter of wasted lands, and organize many pioneer groups for breaking fresh ground, cultivating and harvesting groups, and “Relief Grain Fund” as tradition models that our ancestors used to do.” (Ho Chi Minh, 1984, p. 221)

The traditional mutual assistance is continuously taken along with Vietnamese history. In the French resistance war and the war against America, many mass organizations and youth federations, as well as labor unions and religious associations (Buddism, Catholic, Christian, and Cao Dai) consolidated together under the Viet Minh Frontier, and later, The National Father Front. These organizations had various activities of mutual assistance which conducted across the country. These evident prove that charity and humanitarian have long existed within people-founded and mass organizations in Vietnam.

Children without parents, and fallen soldiers’ children were taken care of, and rest camps for wounded soldiers and handicapped people were established in almost every province and city. The government also provided assistance to people with leprosy and

⁸.He also wrote "Letter to my countryman – starvation emergency relief" in Nation Salvation newspaper, Vol. 53, Sept. 28, 1945.

homeless elderly people. In every commune, life insurance associations were set up and actively operated to bring about the benefits for the people.

The establishment of production, credit, and commercial collectives were also important factors that had an impact on social welfare under the extremely difficult situations of the country at war. Thus, the humanitarian and charity activities in Vietnam have a long and traditional history. Regarding social needs, the appearance of non-profit activities or the operation of NGOs in Vietnam is indispensable.

2.2. International NGOs activities in Vietnam during 1945 and the mid 1980s.

A NGO reported that its organization has worked in Vietnam since 1948⁹, while there was an organization – Secours Populaire Francais – which came to distribute humanitarian aid in Vietnam before the French Resistance war in 1954. But it was only after 1954 that INGOs started coming to Vietnam and increased along with the number of American personnel (military and civilian) in the south of the country. From 1954 to 1960, there were nine INGOs working in this region. Between 1965 and 1967, there were four more INGOs that had concrete humanitarian projects in the South. This number increased by 18 more INGOs at the end of the year 1974.

In total, there were 60 INGOs actively operating in Vietnam, of which, 32 INGOs were American. In the North, there were only four organizations conducting their humanitarian activities with the Democratic Republic of Vietnam.

In 1954, INGOs such as Catholic Relief Services (CRS), CARE and International Rescue Committee (IRC) were involved in providing assistance to immigration people

⁹ According to 1999 Annual Report of the Medical Committee Netherlands-Vietnam (MCNV), Secours Populaire Francais might be the very first INGOs working in Vietnam.

from the North to the South. CRS had the biggest funding at that time, thanks to participating in the food distribution program (P.L. 480 Title II food assistance¹⁰) funded by USAID. Another American NGO, World Vision, also had an operational budget in South Vietnam of up to \$5 million in 1974. According to the report prepared by the World Church Council, during 1965-1972, western religious NGOs had provided a total funding of \$48 million to Indochina countries with humanitarian purposes, of which 91% was sent to areas controlled by America and its alliances. Obviously, the aid did go to where the U.S government wanted it to. A U.S. officer stated: “NGOs proved themselves very useful in helping miserable people who effectively contributes to the implementation of our [the U.S government] political objectives at this land [Vietnam].” (PACCOM, 2007, p. 23)

There were some INGOs which realized the inevitable end of the war in Vietnam and that would have negative impacts on the security of their expatriate staff, and so they slowly withdrew their operations out of the country. For example, International Volunteer Service (IVS) stopped their program in 1974; Save the Children UK and other American health organizations also withdrew their activities at that year. One of IVS’s Board of Directors, Don Luce, was one of two French who discovered “Tiger cages”¹¹ which held political prisoners in the Con Dao islands. Douglas Hostetter, staff of an INGO in South

¹⁰ P.L. 480 Title II, administered by USAID's Office of Food for Peace (FFP), is a people-to-people program, from the people of the United States to people who do not have access to sufficient food to meet their needs for healthy and productive lives. P.L. 480 Title II contributes directly to USAID's ability to provide humanitarian relief, implement programs that address the root causes of fragility, and promote transformational development. (U.S. Agency for International Development, 2007).

¹¹ After pictures taken from the delegation were published on Life Magazine, Americans believed that supporting the South Vietnam government was improper, and that they should oppose the war (Peacework Magazine, 2009).

Vietnam, criticized the in-favor-of-the-U.S non-profit activities conducted by some religious INGOs (Hosteller, 1973).

Since the U.S government sent military personnel to the South Vietnam in 1965, there had been a kind of *inflation* in the establishment of social organizations. According to a survey in 1973, there were 34 social organizations registered with the Youth Ministry; 500 orphanages established and operated by religious organizations under the 27/26 Degree promulgated on July 15, 1966, and issued by the Ministry of Society; there were also hundreds of non-registration organizations which operated across South Vietnam (Nguyen, 2006).

These INGOs in Vietnam also follow common principles of development that happens in developing countries, such as to have big INGOs make connections and gather smaller NGOs to increase the competitiveness in obtaining the funding resources; to focus on training, writing project proposals, and contracting or sub-contracting projects; and to have alliance councils such as social organizations of Phan Quang Dan¹²; the Committee for Reconstruction and Social Development (Buddhism); and Cooperation for Reconstruction in Vietnam (COREV) of Bishop Nguyễn Văn Thuận.

Out of 34 humanitarian organizations, 14 were religious-based associations. Buddhists had the United Social Relief Association; Vietnam Buddhism Compassion Association; Vietnam Buddhism Societies; Vietnam Buddhist Woman Societies; and Vietnam Buddhism Social Organizations. Christian-based organizations also had four different associations: Vietnam Christian Association, The Saint's Compassion Association, Young Men's Christian Association (YMCA), and Young Women's

¹² http://en.wikipedia.org/wiki/Phan_Quang_Dan

Christian Association (YWCA). Catholics had three organizations: CARITAS, COREV and Vinh Son Philanthropy. Cao Dai also established a charity organization, named Chung Hoa Women's Association.

There were also many women-based organizations that had established during that time, such as Vietnamese Women's Association for Social Service (headed by President Nguyễn Văn Thiệu's wife) which was a replacement for the "Women's Solidarity Movement" established by Trần Lệ Xuân¹³, Goodwill Women's Association, and Compassion Women's Association established by an American woman with Grey Ladies' style to make frequent visits to wounded soldiers.

More hectic activities were the operations of Glory Buddhist Reconstruction Committee and The Youth School for Social Services (they were assigned to implement the Reconstruction program, which had a total value of 18 billion dong [South government currency, equivalent to \$3 million]). CARITAS and Red Cross were two organizations which received the most funding from abroad. Some other INGOs had INGOs' representatives on their Board of Directors, such as MISEREOR, Cor Unum, and CRS. Business-funded organizations such as Rotary Clubs and Lion Clubs also implemented humanitarian and charity programs in South Vietnam.

After the South government collapsed and the Vietnam War ended on April 30, 1975, every INGO operating in South Vietnam stopped its work and withdrew from the country. Also, local NGOs terminated their activities and in general, automatically dissolved. After 1975, INGOs that used to work in Vietnam started coming back to

¹³ She was considered as the First Lady of South Vietnam from 1955 to 1963 (http://en.wikipedia.org/wiki/Madame_Ngo_Dinh_Nhu)

implement their humanitarian operations. Those INGOs that used to have their operations in the North now expanded activities to other parts of the country. New INGOs also started looking for opportunities to work in a country that was devastated by many wars.

During 1976 - 1978, INGO activities in Vietnam were at their peak, with humanitarian projects conducted by more than 70 organizations with the approximately annual value of \$30 million. These projects focused on humanitarian and charity work, providing medical care and foods to new settlement zones, while some other assistance went to industrial and agricultural restoration and development.

Between 1979 and 1988, the activities of INGOs in Vietnam reached their lowest point. The number of INGOs was the same but funding was reduced and on-going projects declined dramatically. The total value of funding decreased to $\frac{1}{4}$ in comparison with previous years. The explanation can be seen as the result of Vietnamese troops entering Cambodia to end Khmer Rouge incursions across the border and the genocide of Cambodians.

In general, the activities of INGOs in Vietnam during this period were limited at modest level with operation only focusing on humanitarian relief. The scale and involvement of INGOs were prevented by the political and trade embargo sanctioned by the U.S government. INGOs from the west could not freely operate with their objectives of humanitarianism and charity. Especially American NGOs, they are limited from and prevented by the “Trading with the Enemy” Act (Cornell University Law School, 2007). It is a clearly evident that INGOs are sometimes affected by the influence and political policies of their own governments.

2.3. Foreign NGOs¹⁴ operation in Vietnam from middle of 1980s to present

2.3.1. The needs of assistance funded by foreign NGOs during this period.

More than ever, Vietnam's need for foreign NGOs assistance is very important. There are many reasons that Vietnam needs to promote the operation of foreign NGOs in the country. First of all, in the latter half of the 1980s and especially in early 1990s, the *doi moi* (renovation) policy facilitated foreign policy changes in the direction of multi-lateralization and diversification which made Vietnam more "open" to the world. The country is in a better position to mobilize and facilitate the activities of foreign NGOs working in Vietnam. Secondly, the political and economic crisis was caused by the collapse of the communist system in the former Soviet Union and Eastern Europe. As a result, aid dropped to a minimal level and Vietnam was also sanctioned by the trade embargo which was applied by the U.S government; therefore, the country was in need of foreign assistance. Next, Vietnam was on its way to implementing its renovation process, and needed capital, technologies, and training for skillful human resources which could only be brought from developed countries. Finally, in the context of limited diplomatic relations with other countries, people-to-people relationships were the best channel to connect Vietnam and the world, and helped Vietnam to address to kind-hearted people around the world its economic and social difficulties which the government did not have enough resources to cover. Therefore, by promoting the foreign NGOs activities in

¹⁴ It is important to note that from this period, in all governmental documents, the term of INGOs in Vietnam is changed into foreign NGOs. INGO working in the country represents not only the country where it registers; it also receives the funding from its affiliate member in other countries. For example, CARE International in Vietnam registered in Vietnam as Australian NGO. However, this organization receives funding and personnel resources from CARE Denmark, CARE Japan, CARE USA, and CARE France to implement programs in the country. In order to ensure the recognition of the assistance from different CARE affiliate, foreign NGOs is legally considered as a lawful terminology of INGOs working in Vietnam.

Vietnam, public attention from developed countries would be drawn to these issues that the Vietnamese people had been facing.

Additionally, in the mid-1990s, the industrialization and modernization process started having impacts on economic liberalization, which greatly influenced to society. The gap between the rich and the poor had widened, and social inequality and poverty had created problems preventing the government's distribution of social benefits to every citizen. Thus, foreign NGOs in Vietnam were evolving accordingly with this new tendency to cover the gaps for which the Vietnamese government and its agencies did not have enough resources in handling the increasing issues.

As a result, the number of foreign NGOs also started to grow with a shift from relief work to poverty alleviation, and development projects/programs. In October 1988, Coopération Internationale pour le Développement et la Solidarité (CIDSE) was the first foreign NGO which had a Representative Office in Hanoi. In 1989, there were 21 foreign NGOs added onto the list of foreign NGOs working in Vietnam with the total value of funding was about \$40 millions.

However, this funding was not sufficient to meet the demand for development of the country. Funding was necessary to narrow the gap between the rich and the poor. Acknowledging the importance of funding by foreign NGOs for its development cause, Vietnam has issued policies to mobilize the funding from foreign NGOs for example, the establishment the focal point agency for foreign NGOs to serve as a bridge between foreign NGOs and local recipients; issuance regulations on financial management on humanitarian and development aid to ensure the effectiveness of the funding.

In 1989, the People's Aid Coordinating Committee (PACCOM) (VUFO-NGO Resource Center, 2009) under the Vietnam Union of Friendship Organizations was established with the mandate of being "the focal point for foreign NGOs". Its main function is to facilitate foreign NGOs' activities in Viet Nam, and assist local partners in their relationship with foreign NGOs. At the same time, it serves as consultation agency to recommend to the Government proper policies for the operation of foreign NGOs in the country. Additionally, PACCOM is also responsible for processing the registration of and granting working permission to foreign NGOs in Vietnam. Foreign NGOs are requested to register with PACCOM, the standing agency of the Committee for Foreign NGOs Affairs (COMINGO). Thanks to the facilitation of concerned agencies like PACCOM, the number of foreign NGOs has increased both in term of quantity and disbursement as follows:

As of 1987, there were only five new foreign NGOs which started their operation in Vietnam, and in 1988, this number was six organizations; in 1989, there were 21 foreign NGOs which added into the list of foreign NGOs working in Vietnam. During the period 1991-2000, the number of foreign NGOs had increased over 388%. And the total disbursement value of projects/programs funded by foreign NGOs also expanded dramatically from \$18 millions in 1991 to \$79 millions in 1996 and remained at this amount in the next 5 years, bringing the total funding of \$384 millions for the country for the period of 1997-2001. By the end of 2006 and early 2007, there are a total of about 60 new foreign NGOs that started their operation in Vietnam, among which 51 foreign NGOs have been granted operation permits.

Table 4: Foreign NGOs working in Vietnam

Year	Number of foreign NGOs	Disbursement value (\$ million/year)
1976-1978	50-70	30
1979-1988	70	8-10
1989	70	13
2003	540	105
2005	565	175
2006	573	215
2007	586	230
2008	601	241

Source: People's Aid Coordinating (PACCOM)'s 2007 Annual Report

In 2007, foreign NGOs are conducting humanitarian and development activities in all 64 provinces and cities throughout the country. Foreign NGOs provided an estimate of 2,700 grants (project and non-project), with a total disbursement of over \$230 million; this is compared to about \$175 million in the year 2005, or an increase of 23% (according to reports from 300 foreign NGOs, 58 provinces and cities, and 19 ministries, agencies and people's organizations). As of 2007, foreign NGOs operating in Vietnam have come from 28 countries and territories of different regions, mainly North America, Western Europe and Asia Pacific. In 2007, foreign NGOs continued to focus on the following sectors: education, health care, economic development, and addressing social issues (PACCOM, 2007, p.2). (See Figure 1)

Foreign NGOs assistance by sector

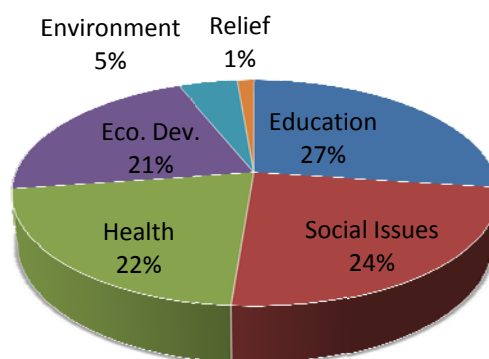


Figure 1: Foreign NGOs assistance in Vietnam by sector
Source: People's Aid Coordinating (PACCOM)'s 2007 Annual Report

2.3.2 Types of foreign NGOs operating in Vietnam

In general, foreign NGOs operating in Vietnam include:

- Foundation: this is also a type of foreign NGO but is listed as a special organization since the Foundation in Vietnam is not directly involved in implementing humanitarian and development projects. The Foundation operates mainly on macro-structural activities such as political, cultural, and educational; it also promotes institutional reform and training, human development, and privatization promotion. This type of Foundation also provides funding to other foreign NGOs to implement projects/programs which are in line with its mandates and objectives. Usually, Foundations have large operational budgets, working in many countries and regions, and also have considerable influence on their own governments. There are several Foundations currently working in Vietnam such as The Ford Foundation, The Friedrich-Ebert-Stiftung (FES), The Konrad-Adenauer-Stiftung (KAS), and the Asia Foundation.

- Religious-originated NGOs: these types of organizations have a long history of working in Vietnam. At first, the main mission of these organizations was missionary, then later on, they gradually shifted to help needy people while maintaining the introduction of religion and finally, in the present day, providing assistance to needy people as the way to promote religion. Approximately, one third of the total number of foreign NGOs operating in Vietnam is religious-related NGOs.

- Foreign NGOs with their objectives focusing on humanitarian, charity, sustainable development, and emergency relief: these types of organizations, which were mostly established after the World War II include Oxfam Family, Save the Children Alliances, ActionAid, Doctors without Borders, and environmental preservation NGOs like World Wildlife Fund for Nature (WWF); all of these have large geographical working areas in Vietnam.

2.4. Diaspora philanthropy and poverty reduction process in Vietnam

2.4.1. Diaspora and VA-NGOs

Among the foreign NGOs currently in Vietnam, there are an increasing numbers of Vietnamese American founded NGOs or Vietnamese-American Non-Governmental Organizations (hereby called VA-NGOs) which also actively participate in humanitarian work, poverty reduction and development in the country. In Vietnam, these organizations are considered legitimate foreign actors, even though the majority of staff are Vietnamese who want to help their own people living in the country. Due to their special characteristics, this Diaspora community will be closely researched on their contribution

to the poverty reduction as a particular part of foreign NGO community working in the country.

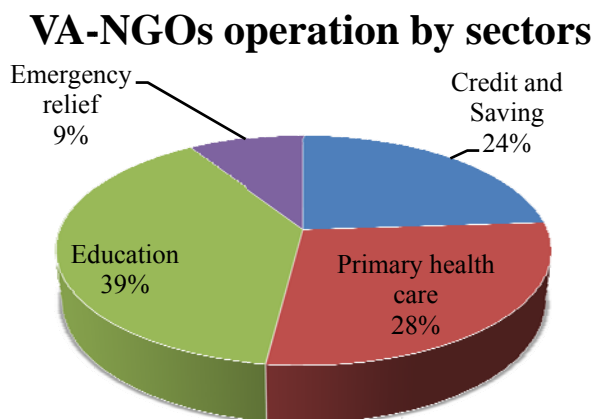
First, the concept of Diaspora should be closely examined. Currently, there is no single accepted definition of the term “Diaspora”, even a legal recognition of the term which consequently has given rise to many different meaning and interpretations. Therefore, the purpose of this research is to narrow the definition of “Diaspora” as member of national communities, who have left, but maintain link with, the homelands. It means the people who are living in one place while still maintaining relations with their homelands, being both “here” and “there”. This term is totally different with the historic Jewish or Greek Diaspora which is deprived from *diaspeirein* – in Greek means ‘scattering’ or ‘sowing’ (*speirein*), and originally used to account for the botanical phenomenon of seed dispersal (hence *dia* completely + *speirein* sow), the root meaning of Diaspora (Mishra, 2006, p. vi).

In other literature reviews, many scholars also have different points of view on this term. Shain (1995) uses the term to refer to a people with a common national origin who reside outside a claimed or an independent home territory. Esman (1986) has defined a Diaspora as a minority ethnic group of migrant origin which maintains sentimental or material links with its land of origin. But all of the above mentioned definitions of the Diaspora share the common notions of a relationship between groups of people that are based on some form of national ancestry and of dispersion.

Within the scope of this thesis, Diaspora will be focused on Vietnamese Americans who have settled down in the U.S for over 30 years and now are actively

involved in the process of poverty reduction and development in Vietnam. In many ways, from their perspectives and home country's perspective, VA-NGOs do consider themselves and are considered to be a part of Vietnamese people, living abroad, who still have many connections with their original country. Even now, with new citizenships and the non-governmental organizations established in the U.S, they are trying their best to contribute to humanitarian assistance and poverty reduction in Vietnam.

In Vietnam, they are considered as a foreign factor to development in the country. For many years, VA-NGOs located throughout the United States have struggled to find a way to assist the people of Vietnam, which in view of ethnic and cultural links, is their homeland. VA-NGOs are heavily constrained by both the Diaspora and their homeland because of the past 30 years of war and enmity. As a result, VA-NGOs are facing a great challenge – to strive to overcome the psychological and political obstacles still simmering between the expatriates and the government in Vietnam. The continued efforts made by VA-NGOs are also considered as a reconciliation process between people living in a country torn and divided by the war. Currently, there are 29 VA-NGOs working in Vietnam in various sectors with total funding is \$21 millions (approximately 9.1% of the total funding disbursement of foreign NGO community in the country) (*See Figure 2*).



*Figure 2: VA-NGOs operation by sectors
(Source: PACCOM's Annual report 2007)*

The field research has offered me an opportunity to discover the reality of VA-NGOs work, their strategic objectives, planning in the future, and their concerns while conducting humanitarian and development projects in Vietnam. Different organizations have different approaching methods on development. Friends of Hue Foundation focuses their development work on improving primary health care, education and vocational training, and income generation while Sunflower Mission wants to contribute their assistance extended to the needy people living in the country through building primary schools, and Our1world focuses on improving the livelihood of farmers living in the Mekong Delta areas. But all of them have the same common goal, the same common theme “The strength of many, the heart of one” (VA-NGO Network, 2009). For instance, on the other hand, through the charity and humanitarian work, they want to create a connecting bridge between young Vietnamese American people and their homeland. On the other hand, by constructing schools, the organization wants to educate young Diaspora people not to forget their original country. Living in the U.S, their living

conditions are much better than most of their countrymen back home; therefore, they feel that there is a need to do something to contribute their efforts to build their homeland, to assist their needy people. For instance, building schools is the best way to improve knowledge to contribute to the development of the country (Sunflower Mission); Income generation (revolving credit) is also a good way to help poor people, especially women, to improve their livelihood in the in-between harvest season (Friends of Hue Foundation); Building solar-energy model for low income families is considered as an cost-effective and appropriate approaches promoted by Our1world for people living in the central of Vietnam.

Furthermore, through face-to-face interviews with VA-NGOs staff (primary data) and various reports and workshop records undertaken by Vietnamese governmental agencies and VA-NGOs (secondary data), there are several factors that can have great impacts on the Diaspora, especially, the VA-NGOs community working in Vietnam. They are listed and analyzed as follows:

2.4.2. Influential factors:

If these factors can be carefully and comprehensively examined and focused on by concerning parties, then the positive influence of Diasporas philanthropy can be maximized and bring these assistance on poverty reduction, further enhanced, to help needy people in the country. These factors may include:

- ***Homeland link*** – there is a need and demand for values and interests common to the ancestral home. This is true for those who are living in the U.S, even the third generation Vietnamese Americans. The homeland can be considered rather

symbolically or historically distant to them. They can find it in their interest to appeal to common values with that homeland. Therefore, more community outreach activities such as free clinic, and volunteer activities to build community buildings which are implemented in Vietnam can be a bridge to connect young people with their homeland.

- ***Government outreach policies:*** positive homeland policies issued by the government which are targeted at those who are regarded as belonging to the nation, but are living abroad. These policies are to provide a positive incentive for forging a connection to or identifying with the homeland. Such homeland outreach policies have proven to be quite important. In the non-profit sector, in particular, the authorized governmental agencies consider VA-NGOs as legitimate foreign entities; therefore, they can receive all the favorable and preferential treatments that the Vietnamese government offers to foreign NGOs working in the country, such as tax exemption for both office and expatriate staff. On the other hand, governmental agencies encourage and guide Diaspora philanthropy to select development targets which are suitable with their strength and scope of operation.
- ***The relationships between source and destination countries:*** the efforts toward the diplomatic and trade normalization between the U.S and Vietnam, together with the recent admission of Vietnam into the WTO that have brought many favorable conditions fostering the participation of Diaspora philanthropy to strengthen its ties with their home country. With the increasing support from the

U.S government's humanitarian and development assistance to Vietnam on various pressing issues such as HIV/AIDS prevention, education, vocational training, UXO clearance and land rehabilitation, Diaspora philanthropy has more chances to engage, secure funding and promote their roles in the process.

2.4.3. Recommendations

In order to achieve further improvement of assistance from Vietnamese Diasporas philanthropy to the humanitarian assistance, poverty reduction and development of the country, there are several initiatives that should be taken into consideration.

1. Establish new Diaspora NGO resource centers in two major metropolitans: Hanoi and Hochiminh city so as to increase visibility, effectiveness and communication, connect to national policy, donors, and have a common voice among VA-NGOs.
2. Increase VA-NGO collaboration with local community organizations, other mass organizations, local Vietnamese NGOs, and other Diaspora NGOs in US and abroad by developing forums and channels for communication to share best practices, challenges, with different sectors of philanthropy field.
3. Identify and discuss project development, highlight the success of case models, promote regular dialogues with all stakeholders. There is a need to have the involvement from concerned parties, such as Diaspora communities, and governmental agencies (PACCOM, the Committee for Overseas Vietnamese) to increase Diaspora philanthropy and ensure all stakeholders are active participants in the process. For the governmental agencies, they need to continue their support and further enhance the legal framework to facilitate the work of Diaspora

communities in the country. For Diaspora philanthropists, they should increase support for collaboration initiatives among overseas Vietnamese philanthropy groups & NGOs, expand VA-NGO within US and promote the linkage between Diaspora groups.

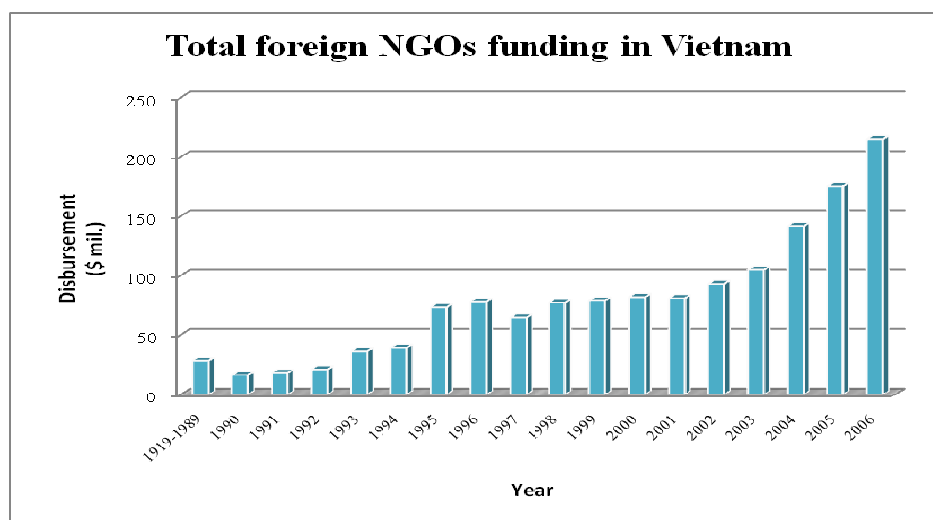
Additionally, the contribution of VA-NGOs will be a great source for the reconciliation process, which is extremely critical for young generation here in the U.S and their needy people in Vietnam. “To have a better future for every Vietnamese”, as members of VA-NGO Network said as being quoted:

“Vietnamese people have a saying “I love my country since I was born” but to young Vietnamese American people – the second and third generation, this should be interpreted as “I love my country since I grown up”. Why? Because through the community and charity work in their original homeland, young people here in the U.S will have opportunities to understand more about the difficulties that their people are facing, creating a connection with their homeland filled with love and sympathetic, and last but not least, they can be proud of being a Vietnamese.”

CHAPTER III: FOREIGN NGOS WITH POVERTY REDUCTION AND DEVELOPMENT POLICIES

3.1. Foreign NGOs assistance is an important factor, contributing to the poverty reduction and development in Vietnam.

Foreign NGOs assistance has been implemented in over 61 provinces and cities, in almost every ministerial agency and mass organization in Vietnam. In spite of having the assistance at different levels, Vietnamese recipients are reported to have relations with foreign NGOs coming from different countries and regions. According to the government agencies, the funding budget for humanitarian and development activities contributed by foreign NGOs can be from \$2 million to \$7 million per year in some cities and provinces such as Hanoi, Hochiminh city, Da Nang city, Thua Thien Hue, Quang Tri, Nghe An, and Ha Tinh province. The Ministry of Labor, Invalid and Social Welfare, Ministry of Health, Farmer's Association, and Red Cross Association receive approximately between \$1 million and \$8 million per year for various projects/programs which are conducted throughout the country. According to unofficial statistics, the total aid contributed by foreign NGOs to Vietnam has increased dramatically from \$20.3 million in 1991 to \$83 million in 2000, and reached \$241 million in 2008 (PACCOM, 2007, p. 3). (*See figure 3*)



*Figure 3: Foreign NGO funding in Vietnam
(Source: PACCOM's Annual Report, 2007)*

Foreign NGOs' assistance has been increasingly focusing on sustainable development and has been in line with priorities, socio-economic development orientations, and strategic poverty reduction programs set by the Vietnamese government. Projects/programs funded and implemented by foreign NGOs have continuously concentrated on economic development, health, education, war legacy, social issues, environmental protection, sustainable tourism, and emergency relief and reconstruction on disaster stricken areas.

According to the evaluations which were done separately or jointly by central government agencies, local authorities and foreign NGOs, in general, these projects/programs have contributed to the implementation of prioritized goals set by the government on the National Program for Poverty Reduction and Hunger Elimination, and the Household-Based Economic Development Program in Rural Areas (PACCOM, 2007, p. 12). From these reports, we can see that the new approaching methods introduced by

foreign NGOs have brought positive impact on project designing and project implementation phases of governmentally funded programs conducted in rural areas. A key strength of foreign NGOs is their conception of demonstration models for development, therefore, many good implementation models and methods have been multiplied into other areas and regions by different government agencies, local authorities, and international organizations.

In this research, I will explore and examine the role of foreign NGOs in Vietnam to illustrate that humanitarian and development assistance funded by foreign NGOs is an important factor in helping Vietnam to overcome difficulties, to implement poverty reduction programs, to improve people's awareness and literacy, to contribute to poverty reduction and socio-economic development process.

From the foreign NGOs' perspectives and from the point of view of many expatriate personnel of foreign NGOs, Vietnam is a unique place to work with the various positive characteristics of foreign NGO working experiences in Vietnam. Odile Ruijs – Co-Director of the VUFO – NGO Resource Center shares her thoughts as follows:

“...Foreign NGOs have almost exclusively worked through the government, or through mass organizations [in Vietnam]. This is different from foreign NGOs' work in many other developing countries, where foreign NGOs normally work outside government structures. What may be seen by some as a weakness of foreign NGOs' activities in Vietnam – a lack of independence, a layer between the foreign NGOs and the beneficiaries – has in fact turned out to be a major

strength... [foreign NGOs] have an almost ready-made channel for discussion results with the government. This is of great significance, as the government of Vietnam, contrary to those in some other developing countries, is sincerely interested in improving the position of the poorest, and in replicating successful projects.” (Ruijs, 2002, p. 12)

Therefore, it can be said that most foreign NGOs working in Vietnam consider the triangle relation between local authorities, beneficiaries, and foreign NGOs as a typical model for development work in the country. Projects/programs funded by foreign NGOs focus on building capacity for local project partners to ensure the sustainability of assistance. Based on the evaluation done by NGO Resource Center in reviewing the 10 year collaboration between Vietnam and foreign NGO, counterpart agencies, especially PACCOM, the functional body of the COMINGO, have played a critical role in facilitating and mobilizing the operations of foreign NGOs in Vietnam. This agency has tried its best to make use of funding, to ensure that every single dollar of aid can reach the project beneficiaries to have ultimate impacts on the lives of poor people, and to prevent the misuse of funding (VUFO-NGO Resource Center, 2005, p. 24). This is an important way to ensure the effectiveness of the assistance funded by foreign NGOs to poverty reduction and development in the country.

3.2. The roles of foreign NGOs in specific fields in the poverty reduction and development of Vietnam.

Poverty reduction: Foreign NGO assistance has continuously focused on sustainable development and has been in line with priorities, socio-economic

development orientations, and strategic poverty reduction programs set by the Vietnamese government (PACCOM, 2007, p. 15).

Also, according to report undertaken by PACCOM, economic development-related projects/programs normally account for 25% of total projects as well as disbursement value. These humanitarian and development projects/programs have gradually provided assistance to farmers and poor people by improving their livelihoods in the competitive market economy through income generation and improvement of household living conditions (PACCOM, 2007, p. 15). In order to illustrate the efforts made by foreign NGOs to be inline with priorities set by Vietnamese government, I compared the target groups of projects/programs implemented by some major foreign NGOs during the last 15 years in the country, it is suggested that the poor and marginalized people were neglected in most projects/programs funded by foreign NGOs with the main reason being the lack of trust and belief in their abilities. However, as of the early 1990s, foreign NGOs started focusing their priorities on poor people, and as the result, development projects/programs had helped many poor people to get out of poverty, to prove to society that community and outside help can make a difference, and change the social attitudes and perspectives toward *the poor*. For example, based on the results from the evaluation of 10 year collaboration, projects/programs funded by foreign NGOs have particularly focused on the following objectives:

- Change and diversify the agricultural production activities,
- Approach to proper technological and scientific knowledge,
- Improve living conditions and working conditions,

- Generate income, reduce debt in each household,
- Approach to health care services and education,
- Build the self-confidence and self-awareness together with capacity to improve their position in family as well as in society,
- Create trust to other international organizations to help poor people have opportunities to approach credit resources (VUFO-NGO Resource Center, 2005, p. 32).

However, information collected from my interviews for this research and reports made by several foreign NGOs and PACCOM, have confirmed that, so far, most projects/programs funded by foreign NGOs have “only reached relatively poor households, not the poorest” (PACCOM, 2007, p. 21). For instance, a report made by a foreign NGO indicated that “the poorest groups in community are normally unable to approach to assistance” and “most of the beneficiaries of poverty reduction projects are the better-off people within poor community” (Nordic Assistance to Vietnam, 1996, p. 23). Poverty Working Group generalized the objectives of selecting the beneficiaries for a saving credit project as follows:

- Must be a poor person with general income per month, equivalent to paddy, is under 13kg/person,
- Must have the ability to return the loan and have saving ability,
- Must be an active member of the women’s union (Poverty Working Group, 1999).

These criteria seem to contradict each other since the potential beneficiary who has the saving ability will never be in the poorest group. If they had such a qualification, then they would have been considered financially better-off. The poorest people always have interminable debts; they have to borrow high interest rate loans to pay off their previous loans. Others are in serious debt which is caused by failed business or emergency spending such as medical operation. Therefore, I suggest that project funded by foreign NGOs should have close collaboration with local authorities and local community groups should be integrated into the implementation phase to identify and select the needy beneficiary groups. These organizations are the ones that understand clearly about local situation and will be able to ensure the effectiveness of the programs.

Agriculture and rural development: Projects/programs funded by foreign NGOs have provided a newly introduced and packaged model, as well as an implementing method for a development project. These organizations have also introduced new and effective approaching methods on agricultural and forestry extension activities, credit and revolving activities, Integrated Pesticide Management (IPM), agro-forestry development, and land management components which are elements of agricultural and rural development activities within the framework of the poverty reduction program. Many good implementation models and methods have been multiplied into other areas and regions by different government agencies, local authorities, and international organizations. According to annual report made by PACCOM in 2007, 31% of foreign NGOs actively worked on integrated rural development where the total funding was approximately \$15.12 million (about 7%) of the

total financial disbursement in 2006 (PACCOM, 2007, p. 17). Also, like the poverty reduction program, Poverty Working Group compared and draw conclusion that the same situation happens in agricultural projects/programs. For example, the selecting criteria for household participants in the project of agricultural extension in sloping areas have many conflicts. The criteria are as follows:

- Must have proper land to implement SALT model (Sloping Agricultural Land Technologies) (Tacio, 1993),
- Must have adequate labor forces to conduct project activities,
- Must be people who can contribute materials, experience and knowledge to project implementation (Poverty Working Group, 1999).

We can see the contradiction in these requested criteria, since, if poor farmers have paddy fields, adequate labor forces, and the ability to contribute experience and knowledge to project activities then they are not the poorest among poor people. Therefore, again, I strongly recommend that foreign NGOs should have close collaboration with local agencies and local people-based organizations to have better approaching method to identify the target groups for projects/programs.

Credit and saving: Credit has played a very important role in poor rural household's livelihood diversification since the country started its social and economic reforms (*Doi moi*) in 1986. Therefore, credit and savings schemes for the poor have always been very popular in development programs of both governmental and non-governmental organizations. However, in reality, according to government regulations, the interest rates applied for the poor by commercial banks should be low, then obviously

it does not bring much profit to the banks; therefore, funds for the poor remain accessibly limited. In spite of offering higher interest rate, foreign NGOs funded micro credit programs with different approaches and objectives, still attract lots of attention from poor people, especially in remote, rural and mountainous areas. This micro credit program is to lessen obstacles to poor clients by encouraging women to actively involve in income generation activities at larger scale and by diversifying types of loans. From this perspective, both informal (foreign NGOs) and formal (banking system) organizations need to have streamlined, clear systems with specific and regulated frameworks as well as regulations for loans. In addition, for better and more feasible service for the poor, loans/credits offered by organizations, such as Vietnam bank for Agriculture and Rural Development – VBARD, Vietnam Bank for the Poor – VBP, People’s Credit Fund, foreign NGOs, and Women’s Union are “supplementary” and farmers generally do not want to apply for big loans but diversified ones.

From my research, service quality (money availability, simple procedure, and fast process) is another obstacle that prevents the poor in their engagement in the credit and savings schemes. Some programs tend to provide loans to “the poor” but money is actually allocated to better-off households as they have better networks and better performance. Many projects/programs take opportunities to get access to loans as means for improving livelihoods but in fact, poor household’s livelihoods can be much better if they have better skills and information. In some cases, having access to loans does not mean households can use them effectively or in a way they want. In other cases, loans become “burden” for money receivers as they become haunted at pay-back time and

amount. Many poor households return cash or refuse to accept the loans since they believe they are too poor and too vulnerable to repay the loans. Therefore, my suggestion is that in order to have better performance and bring about fruitful outcome, credit programs implemented by both NGOs and foreign NGOs need to have better integration into the state administrative system to achieve better sustainable outputs for the most marginalized people in society. It is also an important task for local government and community organizations to see the continuous implementation of credit program in community after the funded programs are finished to ensure the effectiveness and sustainability of development programs.

Health sector: Projects/programs in this sector normally account for over 25% of total projects and almost 25% of total funding disbursement. Specifically, in 2006, this sector had the biggest share of total foreign NGO funding with 31.9% of total disbursement value (equivalent to \$68.9 million) (PACCOM, 2007, p. 19). These forms of assistance have received high compliments from the Ministry of Health and recipient localities for its constructive contribution to preventive activities against epidemic diseases, strengthening health infrastructures, improving the quality of health care services, and providing examination and treatment to poor people in mountainous and remote areas. In its recent publication for the International Conference of International Cooperation, the Ministry of Health issued a comprehensive review on the effective assistance offered by foreign NGOs. There are several remarkable contributions that foreign NGOs help the country on health related issues. For example, the model of the Dengue fever surveillance and prevention program funded by foreign NGOs in Vietnam

has been expanded by the World Health Organization (WHO) in many Asian countries and regions. Also, the model of the malnutrition prevention program funded by foreign NGOs has also been used by many other international organizations in many locations in Vietnam. Foreign NGOs have been involved in various fields related to health issues and at different levels throughout the country. Currently, there are over 100 foreign organizations actively operating in this sector (Ministry of Health, 2007, p. 45).

During the 5 year period (2002 - 2006), Vietnam had witnessed dramatically increasing funding in education and health fields such as raising public awareness on HIV/AIDS through peer education. This program is considered as “an appropriate model for the Vietnamese situation since it requires simple vocal vocabulary which creates favorable conditions to approach target groups, such as women to women, young person to young person, workers to workers, and farmers to farmers” (Ministry of Health, 2007, p. 68). Many foundations and philanthropic organizations, mainly from the U.S such as Atlantic Philanthropy or the Bill and Melinda Gates Foundation, either directly or through foreign NGOs working in the country, allocated multi-million dollar projects to build schools and HIV/AIDS prevention. It is also worth noting that the PEPFAR (The United States President’s Emergency Plan for AIDS Relief) started its program in Vietnam in 2004. Vietnam became the 15th focus country of the Emergency Plan in June 2004. The 15 focus countries collectively represent approximately 50 percent of HIV infections worldwide. Under the Emergency Plan, Vietnam received more than \$17.3 million in FY2004 and nearly \$27.6 million in FY2005 to support a comprehensive HIV/AIDS prevention, treatment and care program. In FY2006, the United States plans

to provide approximately \$34 million to support Vietnam's fight against HIV/AIDS (The United States President's Emergency Plan for AIDS Relief, 2007).

Foreign NGOs in Vietnam have not only focused on emerging and epidemic issues such as HIV/AIDS but also put their efforts in improving nutrition and health status of women and children as the top priority in their health care strategy. In the past 10 years, foreign NGOs have been carrying out several programs: the National Nutrition Program for children under 5 years old, the Hunger Eradication and Poverty Alleviation Program, the Household Food Security Program, and the Infectious Disease Protection Program. Although these programs have improved the situation, “the number of malnourished children is still high due to limitation of resources, especially in mountainous areas, the malnutrition rates remain unacceptably high (25% of children under five are still malnourished). Those, who are living in mountainous areas, reach 44%, in the countryside 37%, and in cities and towns only 27%” (The National Institute of Nutrition, 2000, p. 15). The main contributing factors to poor nutrition status of children include poor caring and feeding practices (UNICEF Viet Nam, 2007), especially in remote and mountainous areas.

From these above figures, the poorest in communities (mostly in rural and remote areas) always have to fight against food shortage and struggle for daily meals. Illness and mothers' ignorance in child care makes this situation worse. Projects/programs funded by foreign NGOs still have limited effectiveness since most of these operations are designed and conducted with a short-term program in rural and midland areas, not in mountainous areas. The implementing methodologies and utilizing local resources can only solve the

instant malnutrition issues since the introduction of the micronutrient intervention initiative (supplementation, fortification and dietary improvement) which has some disadvantages. Supplements need to be taken very frequently and for extended periods of time. In addition, the supplement program has a “top-down” approach to solve the malnutrition problem that ignores the more sustainable food-based approaches; poor people are more likely to utilize their own food, rather than purchase fortified products, even with subsidized price. Furthermore, these programs only focus on malnutrition issues, without integrating other components of sustainable development such as micro credit, vocational training and gardening. Then, from my recommendation, concerned agencies and foreign NGOs should integrate their goals and objectives so that they can achieve the designed outputs for nutrition programs.

War legacy and reconciliation: They are also two aspects that foreign NGOs have focused to implement in Vietnam during the last decade. Many foreign NGOs have conducted projects on demining and UXO clearance in heavy contaminated lands where used to be the fiercest battles during the Vietnam War. Recent figures estimated that there are about “six million hectares, or 21% of Vietnam's land is reportedly contaminated by 800,000 tons of wartime mines and bombs” quoted by the Ministry of National Defense’s Bomb Detection Center in 2007 (International Campaign to Ban Landmines, 2007).

These horrible and deadly war consequences are continuously completing their job, “between 1975 and 2000, bomb and mine explosions killed about 42,000 innocent citizens and injured 62,000 in the country” (Vietnam News, 2008). Recently, official discloses that “by 2006 clearance operations had tackled only nine to 12 percent of the

area affected by mines and UXO, and about a quarter of the mines and UXO that contaminate it” (International Campaign to Ban Landmines, 2007). Many American and German NGOs are actively involved in helping the country to bring back the life in these areas through mine clearance, mine/UXO risk education, and survivor assistance projects. The total funding in the year 2006 is \$8,256,167 (€6,571,812) for mine action in Vietnam, which is an increase of 44% from 2005 (\$5,736,918) (International Campaign to Ban Landmines, 2007).

Another health-related pressing issue and also controversial issue is Agent Orange/Dioxin in Vietnam. For many years, the United States rejected Vietnamese appeals for compensation for these victims, saying claims that diseases were caused by Agent Orange were not supported scientifically. “Dioxin has had a profound impact on Vietnamese society. The effects of the toxin have carried over into successive generations; families and livelihoods have been devastated and the environment has been tainted in a number of localities,” said Madame Ninh, Vice Chair of Vietnam's Foreign Affairs Committee. “Concerned citizens of our two nations [Vietnam and the United States] need to work together to address the legacy of the war. We need to combine our expertise to reduce the harm and provide services to those affected.” After continued efforts carried out by Vietnamese agencies, mass organizations, the Vietnamese people and the collective conscience of caring people around the world, in 2006 Vietnam also witnessed a breakthrough in terms of foreign NGO assistance to the victims of Agent Orange. The Ford Foundation announced a commitment of \$2.2 million through Vietnamese National Steering Committee 33, Vietnam National Association for the

Victims of Agent Orange/Dioxin (VAVA) and other institutions to support research, identify dioxin "hot spots", pilot projects to develop new clean-up technologies, and survey research and public health programs to understand and address the health needs of victims of Agent Orange (Ford Foundation, 2003). International agencies like UNDP also started a joint cooperation with Vietnamese institutions in remediating dioxin contaminated hotspots in a \$350,000 support project in the late 2007 (United Nations Development Program, 2007). And even the U.S. government recently has increased funding for medical aid to people with disabilities in Vietnam, and the U.S. Congress has appropriated \$3 million for cleanup and treatment of dioxin-related illnesses (Voice of America, 2007). Most recently, the Bill and Melinda Gates Foundation and Atlantic Philanthropies Foundation donated almost US\$5.4 million for setting up a dioxin laboratory to facilitate scientists to research the impacts of the dioxin (Thanhniem Daily, 2009). It can be said that even generations later, it is impossible to escape from the shadow of war and its legacy still exists between the two countries. But through the operation of foreign NGOs, these issues are being addressed and healed with the willing from kind-hearted people. With determination from both governments, from NGOs, and from people around the world, these pains will be erased away from people's mind and hearts.

Environment: Environmental protection projects have been given more attention by foreign NGOs in comparison with those projects in the 1980s. Large-scale programs with intensive funding for establishing natural preservations and national parks, endangered species protection, environmental protection and management, and building

models of poverty reduction through sustainable use of natural resources have received about five percent of total funding and that of disbursement value (PACCOM, 2007, p. 20). From secondary data collected through various reports and workshops, it shows that these types of projects/programs have actively contributed to raising people's awareness toward the critical needs in environmental protection, human ecology and to outline involved activities in this field. Foreign NGOs like Trade Records Analysis of Flora and Fauna in Commerce (TRAFFIC) Southeast Asia is trying to help Vietnamese authorities to reinforce CITES (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) to prevent illegal trading in endangered species which occurs in many locations in the country. This organization also provides training to law enforcement, conducting attitudes and awareness campaigns on captive breeding and using traditional medicine from endangered species. There are other foreign NGOs that are focusing on maintaining ecological integrity and cultural characters of limestone ranges throughout the country such as Fauna and Floral International (FFI), World Wildlife Fund (WWF), The International Union for the Conservation of Nature and Natural Resources (IUCN) and World Animal Risk (WAR). Furthermore, according to a research conducted by senior officer of the Ministry of Environment's International Relation department, WWF also helps factories and companies in Vietnam to have better access to Forest Stewardship Council's (FSC) Forest Management Certification and Marine Stewardship Council certificate (Thuy, 2007, p. 4)¹⁵ to facilitate the export of Vietnamese natural-related products. And with its continued assistance in Vietnam,

¹⁵ MSC certificate is issued to wild capture fisheries that meet three main criteria: stock sustainability, negligible ecosystem impact and a good management system.

WWF was profiled in the Vietnam Union of Science and Technology Association's publication *The 20 Years of Renovation Achievements and Direction for Development* as one of the best and most successful organizations which have contributed economic and social development in Vietnam. By conducting the conservations and preservations work on the Vietnamese natural habitats, foreign NGOs have partly contributed to the assurance of the sustainable part of the industrialization development of the country.

Community Forest Management: In Vietnam, since forests cover 30% of the total land area of Vietnam (Encyclopedia of the Nations, 2007, p. 1), they have been a mean of living for many people, especially ethnic minorities. However, there are pressing issues to governmental agencies on how to bring benefits to poor people living in the core and buffer zones while providing preservation and conservation to diversified and rich natural resources. Foreign NGOs have implemented and coordinated with governmental programs/projects conducted by Vietnamese concerning agencies to identify the linkage between poverty reduction and the forestry sector. With the financial and technical assistance from experts of WWF, IUCN, Birdlife International, FFI, TRAFFIC, and Wildlife at Risk, Vietnamese agencies have been able to “examine the role of forestry in poverty alleviation in Vietnam” (Blockhus & Dang, 2001).

In reviewing the operation of environment-related NGOs in Vietnam, there is a need to strengthen the connection between poverty alleviation and improved forest management. This requires better and more effective collaboration among concerned government agencies. Foreign NGOs have introduced and promoted the model of community-based forestry management which helps local people living in the core and

buffer zones to sustain their livelihoods by providing timber for public infrastructure as well as non timber forest products such as meat, hides, etc. from animals bred in captivity. Foreign NGOs also express their concerns that currently, forestry policies and projects have only focused on the environmental protection, biodiversity conservation, and developing methodologies of land use planning, land allocation, and agricultural extension. Poverty alleviation and livelihood improvements are rarely paid attention to in all forestry plans. In some cases pilot projects implemented by foreign NGOs have been successfully developed in coordination with or adopted by Vietnamese governmental agencies. Therefore, I recommend that all related stakeholders should pay more attention to integrate these components into all on-going and future projects as well as planning stage to ensure the effectiveness of environmental programs in the country.

Sustainable tourism: Vietnam is located in geographical areas of strong comparative advantage in tourism, and the “hidden charm” attracts visitors to the “new millennium destination” and as of 2005-2006, there have been about 3.5 million of international tourists and 16 million domestic travelers who have enjoyed the beauty landscapes in Vietnam (Vietnam National Administration of Tourism, 2007). However, Vietnam is still in need of an appropriate eco-tourism strategy and sustainable tourism industry to ensure that benefits from this industry should be distributed and reinvested for the country in general and for people living in tourism areas in particular, as a way for poverty reduction. The Law of Tourism, paragraph G of Article 6 points out that the State will implement incentives and preferential policies in such fields as land, finance, credit, etc., to contribute to poverty alleviation (Socialist Republic of Vietnam, 2005). The

government recently has promoted the socialization of tourism or developed community-based tourism, which deals with benefit sharing and income retention in host communities.

Foreign NGOs in Vietnam have been coordinated and have conducted projects related to tourism, especially community-based and pro-poor tourism. The Foundation of Netherlands Volunteers (SNV) has been involved in sustainable pro-poor tourism to help with planning and policy development, tourism product development, market access, poverty reduction, business development and training and education in Lao Cai, Dien Bien, Son La, Hanoi, Hue, An Giang and Tien Giang province (SNV, 2005, p. 16). The International Union for the Conservation of Nature and Natural Resources (IUCN) has supported initiatives with SNV as project partner on sustainable tourism through projects in Sa Pa (SNV, 2006) and has recently jointly carried out capacity building project in Marine Protected Areas with pilot project in Hon Mun, Nha Trang, Khanh Hoa province (Nha Trang Bay Marine Protected Area Authority, 2007) to develop community-based approaches to protected area management.

A feasibility study conducted by SNV in November 2002 indicated a high potential to support community-based tourism (CBT) and ecotourism (ET) development. Both CBT and ET are rapidly growing segments of the travel market that provide opportunities for diversifying the tourism products and increasing tourism earnings through creating longer visitor stays. CBT and ET can be effective tools for rural development that can contribute to poverty reduction, sustainable local resource use, rural infrastructure development, cultural conservation and community-building objectives.

SNV has established a community development fund in 10 villages in their working locations. In these villages, they help the local people develop a community development fund, which is contributed to by a certain percentage (up to 28%) of the locally generated tourism revenues. This fund is to support the community benefits from tourism to the poor people living in community. The fund will be spent on training, management fees, and reinvestment in tourism and to support poor pupils who have high education performance in school.

Education: There are 78 foreign NGOs (accounting for 35.5% of total foreign NGOs working in the country) actively operate in the educational sector, contributing to 17% of total disbursement funding (equivalent to over \$13 million) (PACCOM, 2007, p. 23). During the past decade, Vietnam has extended its cooperation to many international organizations to implement the *Education for All* program. International organizations, governments and NGOs have provided significant support toward education in the country. The focus of this support has been on primary education, in the program of illiteracy elimination and post-illiteracy elimination, and in regular education. Vietnam has received financial contributions from social organizations, individuals, aid from international organizations, foreign NGOs and credit loans from international organizations.

Consider the program funded by Oxfam UK as an example. This organization supported primary education in some areas of the Ha Tinh province, while Save the Children UK, Radda Barnen, and the Catholic Relief Service (CRS) supported education programs for disabled children which have contributed partly to the successful impact of

the programs (UNESCO & EFA, 2007). Also, Oxfam UK and Enfants du Monde (France) have developed the assistance programs in primary education in the Lao Cai province. Additionally, Oxfam UK joint Save the Children Australia introduced and effectively applied the child-centered teaching methodologies and education models in Binh Thuan province. This organization in collaboration with Plan International and Enfants & Développement have initiated the Quality Basic Education program to provide IEC (information, education and communication) campaign to children, their parents, communities and local authorities in areas including education, child rights, gender, child participation, child protection, hygiene and environment education, child personal safety and childhood injury prevention (Oxfam UK, 2006).

Since 1991, foreign NGOs have introduced a combination program between integrated education and community development to help visually disabled children afford schooling. In the north, the model of integrated education is widely applied while the model of special schools is becoming more preferable in the south (PACCOM, 2007, p. 23). In the 1998-1999 school year, Radden Barnen, CRS, UNICEF and SCF/UK implemented an integrated education program for children with visual disabilities throughout over 50 districts of 45 provinces in the country. There were over 30,000 of these children who participated in day-time public school. Also, children with disabilities in kindergarten were targeted for this program by Radden Barnen and CRS. According to a survey conducted by Save the Children UK (SCF/UK), there are currently approximately 80 schools applying these models in the country with 9,334 children with disabilities integrated into 4,601 mainstream primary classes (Enabling Education

Network, 2007). The program has achieved many encouraging results: parents of the children with disabilities have gained confidence and become more realistic in seeing their child accepted at school like any other child (sometimes these children are not accepted to study in some schools).

Emergency relief: During the last decades, natural disasters have stricken Vietnam and caused enormous damage in both human and property losses, especially in the central part of the country and the Mekong river delta. Emergency relief activities implemented by foreign NGOs have rapidly met the urgent and critical needs of stricken localities. And after the timely assistance, foreign NGOs have also provided reconstruction, community development, disaster prevention and preparedness projects (PACCOM, 2007, p. 28). There are many foreign NGOs that have played leading roles in building the housing model for typhoon and flood resistance in central Vietnam and the Mekong river delta. They also provide floating health clinics, clean water filtering equipment, inter-village road construction, and school renovation projects. These types of projects have created timely and positive impacts on meeting the urgent requirements from local beneficiaries, encouraged the movements within communities to have self-help spirits in recovering from disasters, restored production activities and built the model of disaster preparedness and prevention.

3.3. Foreign NGOs' impacts on governmental programs and policies.

3.3.1. Foreign NGOs have impacted the approaching methods of governmental programs.

In general, the implementing methods of foreign NGOs are flexible, “down-top”, community-based and are having positive impacts on governmental policies.

In agricultural and rural development sectors, foreign NGO activities have contributed to the issuance of various policies as well as new programs such as agricultural extension, micro credit, IPM, and agri-forestry management on land usage. Foreign NGO funded programs have created substantial impacts on sustainable agricultural development in Vietnam.

The introduction of Participatory Rural Appraisals (PRA) has provided facilitation to many planning and implementation governmental programs in Vietnam, such as the Program for the Most Difficult and Remote Communes (Program 135). Foreign NGOs encouraged local people to participate in handling local issues. Many governmental programs have used these approaching methods with flexibility to evaluate the needs and priorities within the community. Local leaders take advantage of this approach to mobilize and utilize local labor forces to participate in constructing small-scale infrastructures such as local roads, digging wells, building schools and sanitation facilities for local children. The director of Bac Kan's Health Department reviewed: “PRA introduced by foreign NGOs have been successfully applied by our health workers

when implementing government-funded program for community-based evaluation on primary health care at commune level at our five targeted districts”.¹⁶

Credit programs conducted by foreign NGOs in the early 1990s have been extended and applied in pilot programs with women’s union as implementing agencies such as revolving credit group and saving from poor people. Governmental agencies have also applied this model for their own poverty reduction programs. A credit agency as quoted as saying, “our credit project has actively contributed to the city’s poverty reduction and hunger elimination program. Before applying the successful outputs of our project, governmental program collected interest rate at the end of lending periods and there was no training for borrowers, which result an ineffective achievements. Lesson learned from our project, the effectiveness of their program increased by 70%.”

Foreign NGOs have proposed new approaches on HIV/AIDS prevention and contributed to reduce this epidemic in Vietnam. Some Foreign NGOs such as SCF/UK, CARE International, Family Health International, and World Vision International created a new peer educator network, which later can set up a firm foundation facilitating for governmental programs. A senior staff of National AIDS Prevention Committee reviewed that:

“Although INGO-funded projects are small scale but we [the National AIDS Prevention Committee] have applied this model for large national programs. For example, previously, the peer educator program did not get approval from governmental agencies, only two years ago this program received state funding for activities spreading over 20 provinces nationwide.”

¹⁶ Field interview, 2008.

Foreign NGOs working in malnutrition prevention activities have provided important contributions to national malnutrition program by using “local health volunteers” to implement intervention with priority given to women and children on nutrition. This is a completely new model and approaching methods to Vietnam. It includes the growing chart, education and nutrition recovery as well as pre-natal and post-delivery care. The use of “active case study” has facilitated the communities in utilizing their resources to solve the malnutrition issues within communities.

According to the result of my research which is mentioned in previous part, the contribution of foreign NGOs in educational sector is undeniable, especially in giving special education for children with disability, facilitating the Inclusive Education (IE), which was currently adopted as a policy in educational sector in Vietnam (DisabilityWorld, 2002). Foreign NGOs introduced and provide the latest information on education and training techniques. As a Ministry of Training and Education (MOET) officer when interview said, “this information is valuable to us [MOET], even money cannot compare with. Project conducted by foreign NGOs have changed the awareness for not only community people but also for us here at ministerial level. It definitely helps us to format a new approaches and more effective way to do in this field.” Vietnam is lack of professional capacity in special education and related services and whatever the existing capacity, it appears to be somewhat concentrated in special schools (DisabilityWorld, 2002). Programs implemented and funded by foreign NGOs have filled up the gap by actively promoting and implementing the model of IE in Vietnam. There is a Disability Community network and a Disability Working Forum established and

operated by NGOs community in Hanoi. The Forum staff and a number of members are people with disabilities. Foreign NGOs such as Radda Barnen, Handicap International, Viet Nam Assistance for the Handicapped (VNAH), Landmine Survivors Network (LSN), and Voluntary Service Overseas (VSO) are members of the Forum. Some of foreign NGOs have been involved in the development of community-based models of education for children with disabilities for a decade or more such as Radda Barnen, VSO, and Handicap International. Foreign NGOs are implementing pilot projects, providing technical assistance, testing curricula and training teachers as well working with parents and commune leaders. These education programs have improved the teaching methodologies in public schools in Vietnam.

3.3.2. Foreign NGOs create an impact on governmental staff.

Through being project partners with foreign NGO-funded projects, working with international experts with different advanced methods from various countries, the capability of government staff, especially at local levels has been enhanced in various fields such as health, education, environment, agriculture, and forestry. Vietnamese officers also attend many workshops, conferences, and in-country as well as overseas training courses to access with the latest knowledge, information and technologies.

By coordinating with foreign NGO-funded projects, local officers can work on planning, implementing, monitoring, and managing small-scale projects. They can apply these skills and knowledge to other programs funded by other sources. A local officer in Yen Bai province – a mountainous province - said “after implementing the foreign NGO-funded projects, we realized that we learned a lot from them and the experiences in

project management have definitely facilitated us in conducting other provincial projects/programs. We do understand that finding a new funding resource for a new project is very competitive and difficult, but we have tried and sent some project proposals to different [potential] donors asking for financial assistance. Management skills of local leaders have now been improved through implementing foreign NGO-funded projects.”

Besides by coordinating with foreign NGOs in implementing development projects, the role, ability, creditability, and prestige of mass organizations such as Women’s Union, Farmer’s Association and other grassroots organizations have been improved. It also helps to increase the awareness of Vietnamese local staff to change the attitude toward the role of farmers, children with disability, and HIV/AIDS infected people and integrate them into the community.

However, even though NGOs have provided Vietnamese staff with many training courses, they are also the ones that have created the brain-drain influx. Many of the talented and well-trained staff from governmental agencies in the development sectors has shifted to work for NGOs for better salary and better working environment. As a director of a research institute said “We are now in a shortage of researchers for analyzing primary data since most of them are now becoming technical consultants for foreign NGOs.” Others argue that working for foreign organizations, including foreign NGOs, results in a loss of innovation among Vietnamese staff in handling with government work and not specializing in their research fields. They spent most of their time to do routine survey and consultant for projects funded by foreign NGOs. This, in

return, creates negative impacts on human resource development of the country. However, others think that the cooperation with foreign NGOs has improved the knowledge and skills of governmental officers. They view the shifting of work from governmental agencies to foreign NGOs also can be considered, in one way or another, as a contribution to the development of the country since those people still contribute their parts on poverty reduction process of the country. Therefore, it cannot be viewed as a negative impact.

3.3.3. Foreign NGOs create impacts on policy-making process, degree and by-law regulations.

Foreign NGOs have contributed to decrees like Grassroots Democracy Decree and the Micro Finance Decree 28. One policymaker was interviewed and said once they prepared for the by-law documentation of a new cooperative model, they would use the cooperative model introduced and implemented by foreign NGOs in Thai Nguyen province as a case study and a reference case.

In education, foreign NGOs also help to create opportunities for children with disabilities to go to school. In 1997, the regulations that prevented handicapped children to go to pre-school were abolished. Since then, the Ministry of Training and Education confirmed the handicapped children who were attending special schools for children with disabilities need to be integrated into normal schools. With the assistance from Komitee Twee, Netherlands, the Ministry started concrete activities such as established a faculty with special education for the hearing impaired; organized refresher training for special education at provincial level, and for both pre-school and primary school teachers;

established new teaching universities in the North, Central, and South of the country to improve current teaching curriculum, educational study, and education development.¹⁷

3.4. Limitations of foreign NGOs.

When a foreign NGO implements a good work then it can improve the development of society; but if it focuses only on its own benefits, then this is unavoidably an act of irresponsibility. It is true; the operation of foreign NGOs still has many limitations.

First, each foreign NGO is only interested in a certain social issue, therefore, its perspective is not comprehensive and likely to go to extreme, or even easy to get lost into an unrealistic point of view on a certain social issue which may go against the interests of the host government. Since they represent a group of people, foreign NGOs only pursue a single objective which is in line with their own mandates and objectives, ignoring the overall features of a country's policies. In Vietnam, they proposed some unrealistic initiatives, such as calling for the government to sign the landmine ban treaty that has deep conflicts with national security. This trend goes beyond the scope of a non-governmental movement; it contains too much politics and goes against its primary mandates and objectives of development. Can it be considered as one of non-profit activity? Will it go beyond the act of civil society and become "contributive factor" of development? Therefore, there is a need to consider and strike a balance of different interests, especially in certain circumstances, to avoid possible conflicts with national interests. With the facilitation of Vietnamese development agencies, currently, foreign

¹⁷ Komitee Twee – Evaluation report, 2003.

NGOs are only focusing on landmine clearance and victim assistant programs, which are in line with the priorities of social development policies of the country.

Second, the accountability and transparency of foreign NGOs are two questions that also can be considered as limitations. To their donors, foreign NGOs comply with all required financial procedures in term of periodical reports, but to their counterparts, the mechanism holding foreign NGOs to account are extremely limited and largely ignored. The level of foreign NGOs' accountability has been measured by One World Trust's Global Accountability Project (GAP). This GAP assesses the accountability of 3 key actors on the global stages: IGOs, TNCs, and INGOs (One World Trust, 2008). GAP recently published the Global Accountability Report finding that the INGOs "was much less transparent. This is particularly striking considering that many organizations in this group persistently demand greater openness of IGOs and TNCs" (British Overseas NGOs for Development, 2003). Also in this report, the result shows that INGOs often fail to provide information that is likely to be of significant use to stakeholders, how they spend donors' funding and how they have achieved their goals and objectives. It is very critical to maintain the accountability; failure to do so will risk losing the hard earned trust, creditability and legitimacy which foreign NGOs have created among the developing countries. And also by doing that, foreign NGOs can promote and empower the voice of the voiceless through the participation of the vulnerability and marginalized groups in the monitoring and evaluation process in development projects/programs.

Additionally, many foreign NGOs do not want to exclude the overhead costs which sometimes account for over 60% of the total project funding. According to

PACCOM report, 42% of foreign NGOs operating in Vietnam have overhead costs over 50% of total funding for projects/programs in the country (PACCOM, 2006). Therefore, for many projects the actual funding that can reach to project beneficiaries is limited. Moreover, due to the bottom-up approach, the requirements during the socio-economic need assessment at local level as well as monitoring and evaluation phases, foreign NGOs and their staff can have greater impacts on the most vulnerable and marginalized groups. These people, due to the limited awareness and access to information, can be easily driven to the ‘good intention’ and ‘great contribution’ of foreign NGOs project at micro level, ignoring the contribution of socio-economic policies and assistance from governmental agencies at macro level. For instance, foreign NGOs provide funds to construct electric poles to transmit to every household in 12 communes in the northern mountainous areas. It was actually a good community-based development project that helps poor ethnic people can enjoy better life facilities. However, the problem is that they ignore to mention the important efforts of government agencies in building electric transformers at province and district level so that they can connect power from there, and the beneficiaries are only informed of the great assistance from foreign NGOs who is the only one to bring to them the lights of civilized society. Therefore, one way to limit the negative side of these operations is to promote the participation of stakeholders in all stages of project cycle to ensure the theme *“People know, people discuss, people implement, and people monitor”*.

Third, currently, the international network of foreign NGOs have been developed into a stage which is so remarkable that many MNCs (BP, Shell, Toyota, Ford, Coca

Cola,...) and IGOs (WB, IMF) have collaborated with NGOs as a mean to fulfill their social responsibilities. Huge funds are thus poured into NGOs in the name of development, social justice, human rights, and grassroots democracy. In the past decade, WB and many UN agencies have been insisting that fund should be utilized through the NGOs. This is considered as strong and tremendous funding resources for the operation of foreign NGOs. Once NGOs receive funding from these donors, the mandates and objectives of these NGOs will be changed according to the wills of givers. Accordingly, the independent characteristics of NGOs will be lost but most of NGOs hardly resist that financial temptation. NGOs are becoming a useful means of advertising their images for MNCs, corporations, interested groups, and even governments to developing countries. To foreign NGOs, due to the fierce competition in mobilizing funding for their operation, these resources are becoming crucial and important for fund raising activities. It also makes NGOs favorite partners for development projects in developing countries.

Fourth, With the purpose of helping the development of Southern NGOs as an important component for strengthening civil society to request more decentralization and democracy in the country, many foreign NGOs are shifting from purely humanitarian and development-oriented goals to a political one.

While maintaining development of bilateral and multilateral aid with Vietnam, the UN's international organizations, as well as international financial institutions, inter-government and inter-regional organizations, the governments of developed countries, and foreign NGOs are, more than ever, paying attention to the development of local NGOs and civil society in the country. The other tendency is the localization process

conducted by many foreign NGOs. These organizations start playing the role of mother or umbrella organization, transferring the projects/programs and, sometimes, helping to find funding for these newly-established local organizations. These organizations have focused on various sectors such as reproductive health, community development, rural development, law education and assistance to ethnic minorities, called for a scrutiny and evaluation environmental impacts on government policies in implementing hydro power stations, and policy advocacy in domestic and international forums. These are considered transitional steps in conducting development projects/programs from foreign NGOs to local NGOs.

Some foreign NGOs want to build up the partnership model of foreign NGOs, civil society/local NGOs, and beneficiaries; this will put aside the roles and functions of existing and long-time people-founded organizations that have enormous working systems, ranging from central to grassroots levels. It will create an unnecessary competition between these organizations and newly established, foreign-backed local NGOs in obtaining development funding from international donors in implementing social development projects, making development goals to be a lucrative business.

There are still some foreign NGOs which hire Vietnamese individuals and unregistered organizations to deliver aids to beneficiaries. It creates difficulties for governmental agencies in facilitating and managing assistance to ensure the effectiveness of the projects/programs funded by foreign NGOs in Vietnam. The Vietnamese government considers the funding provided by foreign donors for the cause of poverty reduction and socio-economic development as part of the state budget; therefore, all

Vietnamese project partners and recipients must comply with all financial regulations to avoid the misuse of funding. There were some occurrence of misuse and abuse of the funding which were considered illegal financial activities which could damage the image of Vietnam while this country is trying to mobilize more foreign assistance for its poverty reduction and sustainable development process.

In parallel with association to each other at national, regional, and international levels in certain issues such as globalization, Asia-Europe cooperation, environment, Mekong river disputes, and Landmine Ban Treaty, some foreign NGOs, especially foundations such as the Ford Foundation, KAS, FES, the Asia Foundation and international organizations have associated with Vietnamese NGOs in various activities to influence governmental policies. Typically, these activities have focused on issues such as demanding conditions on aid distributions which must have the involvement of local NGOs; promoting the participation of local NGOs on international donors' forums; and coordinating in organizing between local NGOs and financial institutions.

Since foreign NGOs receive funding from donors, they always have to comply with conditions given by the donors. The given mandates and objectives of foreign NGOs operation are no longer to remain their truly unique and historic characteristics of non-profit and independence. They are now becoming extended hands of the developed governments to implement the foreign policies in developing countries. For example, the U.S. is the one that creates strong effects on many foreign NGOs in the world. Most of the American NGOs are "controlled or guided" by USAID from issuing policies and operating strategies to managing daily activities. Since 1987, American regulations

stipulate that a minimum of 15% of total bilateral aid should be channeled through NGOs. Therefore, in the total annual budget of \$2.5 billion of over 170 American NGOs, there is a contribution of over \$800 million from the U.S. government through various projects. It was understandable to see that USAID “ordered” US NGOs to identify themselves more clearly as part of the US operation or lose their funding. And “as a USAID coordinator, Andrew Natosis, said US NGOs should consider themselves ‘an arm of the US government’” (Fielding-Smith, 2004). In Vietnam, besides receiving “closely assistance” from USAID, once a month, 20 major American NGOs working in the country have cordial breakfast with the U.S Ambassador to Vietnam to exchange their concerns in dealing with Vietnamese governmental agencies and receive advice from the embassy on those issues.

Fifth, nonprofit activities implemented by foreign NGOs are losing focus on non-profit activities and becoming more profit making entities. Specifically, the overhead cost is accounted for by a large portion of total funding for a humanitarian and development programs. As a study by the Comparative Nonprofit Sector Project at John Hopkins University pointed out “if nonprofits were a country, they would have the fifth largest economy in the world” (Faroorhar, 2005). It is clear to see that NGOs are now becoming visible players with a multibillion-dollar industry. So, there is a question: What is the bottom line for a nonprofit? How to evaluate the success of a NGO operation in which many high ranking officers make good money? Since “a lot of money is being channeled to good causes through organizations that big donors know very little about” (Faroorhar, 2005), working for NGOs are becoming a rich and prosperous land for any one who want

to make high salary. Therefore, a huge amount of funding under humanitarian and development programs have been poured into the “consultant fee”. As “where there is big money, there are consultants” (Faroorhar, 2005), foreign NGOs now realize that they need to get more professional since there are requests of having people with managerial skills. This is a new trend of professionalism of NGOs in working with development programs. Therefore, “many foreign NGOs such as the World Wildlife Fund has changed the title of its ‘Country director’ post to ‘CEO,’ and has annoyed lifelong greens by hiring business executives for these posts” (Faroorhar, 2005). Additionally, the money that foreign NGOs spend for their high ranking officers account for a large amount of their total funding for humanitarian and development activities. For example, Marsha J. (Marty) Evans, President and CEO of the American Red Cross, manages a \$3 billion budget, and makes \$450,000 a year (Faroorhar, 2005). There is another indicator to show how nonprofit work can be considered a “prosperous” field. As the U.S. economy fell into a ‘jobless recovery’, with total employment falling between 2001 and 2004, employment in the nonprofit sector grew by 2 to 4% a year. The situation is the same with the U.K, the country that has many large NGOs actively operating in the world. The employment in the voluntary sector increase by 17.7% between 1995 and 2000, compared with an 8.5% increase in the profit sector (Faroorhar, 2005). The profitable nonprofit work leads to a new question – that is, the accountability of NGOs when implementing humanitarian and development operation around the world.

Sixth, currently, according to the research, I found that there are also limitations coming from local government agencies which prevent the effectiveness of the

implementation of projects/programs funded by foreign NGOs. While central government agencies issued regulations facilitating the operation of foreign NGOs in the country, local functional agencies set their own regulations, causing difficulties for foreign NGOs in conducting poverty reduction and development project at local levels. These obstacles come from local staff who do not have proper professional skills in dealing with foreign entities. Also, bureaucratic and corruption in some areas are the reasons to prevent assistance from reaching to needed people. In order to ensure the effective contribution of development assistance, central government agencies need to continue strengthening the institutional and human resources for local government staff by organizing more training and workshops on project management skills, finance management, and updating regulations. Local staff is the key component to ensure the effective coordination at local level, and for that, the productive and collaboration partnership between foreign NGOs, local government, and stakeholders should be promoted and enhanced.

CONCLUSION

The humanitarian and development projects/programs funded and implemented by foreign NGOs are an important factor in helping Vietnam to overcome difficulties, to implement poverty reduction programs, and contribute to socio-economic development. In term of funding scale, in general, the foreign NGOs' assistance is relatively smaller than other foreign assistance but it is very effective and directly goes to the needed people in the most critical times in the context of market economy that Vietnam has applied, have increasingly created the gap between the rich (*the have*) and the poor (*the have not*) in the society.

From the information and analysis presented throughout the essay, it can be said that foreign NGOs working in Vietnam have been and will be a significant role in contributing to the country's poverty reduction and sustainable development program. The activities of non-profit sector in Vietnam have maintained with the concentration on major development issues, such as education, environment protection, social issues, household-based economic development, emergency reliefs and reconstruction of disaster-stricken areas. However, the involvement of foreign NGOs in the country's poverty reduction and development depends on a critical factor – the funding source for the operation of foreign NGOs. And that funding issue will see a challenge in the time being.

First, the funding value is forecasted to be very modest with only two and a half dollars per person per year (PACCOM, 2007). Second, as Vietnam becomes an emerging economic hub in the region, it is no longer listed as one of the first prioritized recipient of

funding. Northern NGOs and foreign aids sources will shift to areas where the needs for humanitarian work are more critical and urgent, such as devastated areas torn by civil wars in African countries. Thus, the possibility of remaining and further mobilizing funding from foreign NGOs is more difficult for Vietnam. Third, there is increasingly fierce competition in attracting funding by foreign NGOs among regional countries. These challenges are the biggest concerns of Vietnamese relating agencies.

How to maintain the level of foreign NGOs' involvement, funding sources, and to ensure the sustainability of development programs in the country is a not simple question. Against the backdrop, the Vietnamese government plan to issue the National Program for the Promotion of foreign NGOs assistance 2010-2015 (NPP) marking the continuous effort in maintaining and securing more funds from foreign NGOs and international donors to serve the poverty reduction and sustainable development of the country. The purpose of this policy is to further develop the existing partnership cooperation between Vietnam and foreign NGOs, and broaden the relationship with potential foreign NGOs, combined with improving the effectiveness of assistance from foreign NGOs by enhancing monitoring, evaluation and capacity building in the partnership with foreign NGOs. There is another purpose of this newly issued policy is to further develop an appropriate and favorable legal environment for foreign NGOs' activities while improving the activeness of related sectors, localities and people's organizations in their relationship with foreign NGOs.

However, in order to carry out such tasks as well as to prevent limitations of NGOs as mentioned in previous chapters, there are several recommendations that should

be taken into consideration to enhance the effectiveness of foreign NGOs in poverty reduction and development process in the country, such as:

- Concerned governmental agencies should amend related legal documents to create favorable conditions for foreign NGO operation in Vietnam with simplified and speedy procedures and at the same time improve the efficient management of this source of assistance.
- Strengthening cooperation and information sharing to disseminate Vietnam's needs with foreign NGOs and donors, targeting assistance towards prioritized areas and regions, such as HIV/AIDS, war legacy, and socio-economic development in the mountainous areas in the North and Center of the country.
- Developing a system for monitoring and evaluating foreign NGOs' programs as well as enhancing information and dissemination on the effectiveness of this source of assistance.
- Enhancing capacity building and training in professional knowledge for local staff responsible for NGO-related work, providing them with skills on development, fund raising, implementation, management, monitoring, and evaluation of foreign NGO-funded projects.

Additionally, in order to maintain and further enhance the funding flow and contribution of foreign NGOs to the country, apart from issuing sound policies, concerned agencies should be fully aware of the requirement of donors and international organizations which want to see the effectiveness, sustainability of the development projects/programs. One of objectives of funding is to create sustainable development. To

this end, beneficiaries and local stakeholders should be directly involved in the process of designing, implementing, monitoring and evaluating a development program to attract more funding. Capacity is a decisive factor for success or failure of any development program. By doing that, local capacity will be enhanced and improved, in which they can advocate, raise funds and communicate with NGOs and donors more effectively to achieve local needs.

As for the Vietnamese Diaspora's contribution to poverty reduction in their homeland under the form of NGO activities, besides being a great source for the reconciliation process, it is more appropriate to view them, as part of the greater NGO sector, including both foreign NGOs and Vietnamese NGOs. Hence, to draw an accurate picture of the work of foreign NGOs as well as the trend of the NGO sector in Vietnam, the local organizations, mass organizations, and people-founded organizations should be included in the whole picture of non-profit activities in the country. In poverty reduction and sustainable development, every single actor should be counted, and government agencies can propose proper policies to facilitate the activities of these actors based on their organizational and working features to ensure the effectiveness of the operation. This provides necessary components for the country's sustainable development. I share the view with the UNDP Resident Representative in Vietnam who noted that "Government and its agencies alone cannot achieve poverty reduction or the Millennium Development Goals. What is required is active participation and partnership of citizens and their organizations. External assistance can help, but ultimately success will come from within and be owned by the country and its citizens." (J. Ryan, personal

communication, Sept. 18, 2003) And, if we can put into operation all these above mentioned initiatives, I think, the answers can be made.

In conclusion, human being always wants to achieve a better world, a better society where every member will be able to access an enjoyable livelihood, both spiritually and physically. This is the road map and the goal that need a long way to achieve. In this road, foreign NGOs have been and surely will be continuously a major factor, at local and international level, and in closely cooperation with governments, other international actors, to contribute to that noble cause. Hopefully, my thesis has partly contributed to the clarification of the important role of NGOs in general, and foreign NGOs in particular in the poverty reduction and sustainable development process in Vietnam.

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