

The Double Bottom Line: Achieving impact, achieving profit

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Abstract

Non-governmental organizations pursue work that is at the intersection of humanitarianism, collective effort, advocacy, and purpose. These organizations expose discrepancies and facilitate solutions. The research problem in this work centers on the operations of non-governmental organizations in Vietnam. This project explores the junction where altruism and impact meets business and profit. As such, I ask “what is an NGO’s approach to sustaining the convergence of growing a business and increasing social change and impact in Vietnam?”. Prior to this research, I led with the hypothesis that the capitalist driven global community in which we live has altered the priority of non-governmental organizations, therefore putting more emphasis on profits rather than people. However, utilizing exploratory methods on the overview/reports of my selected NGOs, and observational methods through asset mapping has revealed the certain balance of impact and profit that exists in modern NGOs. Delving into the evolution of the nonprofit sector, particularly through the Vietnamese lens, has solidified the central role the altruistic tendencies of NGOs play. Entities that classify themselves as such recognize the necessity of profit, yet understand business strategies as merely the tools to reach the humanitarian cause.

1. Non-governmental Organization Context

Advocacy would be in absolute disarray without the existence of non-governmental organizations. NGOs act when governments, other political entities, and corporations seemingly neglect those in need. While these organizations were manifested in numerous forms years before, the term “non-governmental organization” was first coined in 1945 by the United Nations after the devastating realities of World War II, when it appeared in Chapter 10, Article 71 of the United Nations Charter (Human Rights Careers, 2020). Globalization and innovative

technological advances have exposed the harsh disparities numerous individuals face around the world. NGOs result from the outcry of communities. Whether local, national, or international, NGOs tend to work in an operational or advocacy scope. With heightened global tension and crisis, modern NGOs typically have a blended approach, as operational NGOs would focus on development projects while advocacy organizations focus on promoting a particular cause. The field is constantly transforming, yet it seems that a constant factor that remains is that “nonprofits can, and often do, bring a moral and spiritual component to human services that public entitlement, as practiced by government agencies, cannot do” (Budrys, 2012).

2. History of NGOs in Vietnam

It is essential to understand non-governmental organizations through the Vietnamese context for this research. History has revealed the tumultuous relationship this organizational model has with the Vietnamese government, as restrictions on the operational capacities, location, and communication of non-governmental entities were implemented. The very essence of the title “non-governmental” presented, and still does to an extent, a direct conflict with a communist government that assumes control of all aspects. The one-party system of Vietnam, being the Communist Party of Vietnam (CPV), “has consistently sought to make use of external relations to enhance the country’s national security and prosperity, and, ultimately, to strengthen the Party’s rule” (Le Hong, Tsvetov, 2018). As many communist institutions are, the Vietnamese government proved, and still does to an extent, to disapprove of the establishment of non-governmental entities, particularly international ones, in its regions. Examining a timeline of non-governmental and non-profit work in Vietnam details the slow integration of NGOs into the country. The late 1970s gave way to the beginnings of slight leniency towards nonprofit organizations as the Vietnamese government aimed to profit from opening its nation in order to

market with the world. Private business law was then introduced to the nation in the 1990s and facilitated the establishment of numerous nonprofits in Vietnam, particularly those with focuses on development and poverty. Understanding the institutional progress in these early years prepares one's mind for 2002 when the Vietnamese government officially mentions the nonprofit sector in their comprehensive poverty and growth strategies. The small victories and further integration into Vietnam was fundamentally solidified in the years between 2012 and 2015 with a series of updates on the formation of two forms of nonprofit as fund and social enterprise (Pham Son, 2020). Although Vietnam seemingly has intricate restrictions on the integration and operations of NGOs, notably those with foreign origins, the progress on NGO presence in the nation is undeniable and growing. Establishing and managing humanitarian programs in Vietnam proved difficult as the foundation of organizations such as the Vietnam Union of Friendship Organizations were apparent necessities in bridging gaps. The VUFO-NGO Resource Center was created in 19993 "to serve the community of international non-governmental organisations (INGOs) working in Vietnam and their Vietnamese partner institutions. It exists through a partnership between INGOs working in Vietnam..." (NGO center). This establishment was around the time the Vietnamese government began to open its regions to major nonprofit involvement in the 90s, and therefore reveals the need and desire for NGO work in Vietnam.

Nonprofit Laws in Vietnam

A discussion of the legal background that serves as the blueprint for non-governmental operations in Vietnam is imperative for the continuation of this research. The distinction between INGOs and NGOs is also important to note here. INGOs simply being international non-governmental organizations. This is a noteworthy distinction because the majority of legal documents pertaining to non-governmental organizations in Vietnam mention it. Vietnamese

regulations primarily define nonprofits “as corporate bodies or organizations mainly operating to raise funds or finances for charitable, religious, cultural, educational, social, or similar purposes. They also then elaborate and define “not-for-profit purposes as the non pursuit of profits for sharing, and the use of all profits earned in the course of operations for particular and recognized activities” (Mazur, Nguyen, 2020). The documents that dictate the formation of non-governmental organizations in Vietnam present as daunting and make the endeavor more challenging than that of another country with a less restrictive governing body. There are numerous decrees that detail the regulations of both local and international non-governmental organizations in Vietnam. Based on designations and attitudes towards nonprofits, the CPV seems to recognize five types of nonprofits with multiple decrees correlating to each one. These five types include social relief establishments (SREs), social funds and charitable funds (funds), associations, scientific and technological organizations (STOs), and international non-governmental organizations (INGOs). When it comes to more local Vietnamese organizations, “all NPOs and SEs are limited subjects of statutory law, and as such are only permitted to carry out activities that the law specifically allows. In some circumstances, the law explicitly prohibits certain activities” such as inurement, proprietary interest, and dissolution. As for international organizations, the examples of decrees that apply in those instances are that of Decree No. 93/2009/ND-CP of October 22, 2009 and Decree No. 12/2012/ND-CP of March 1, 2012 that elaborates on registration and management of operation of INGOs in Vietnam (Mazur, Nguyen, 2020). Therein lies the issues of restriction, particularly for international entities, such as the restrictions on foreign control over some types of nonprofits. For instance, “founders of a fund must be Vietnamese (Decree 93 (2019) Article 11). Foreign members may only comprise up to 49% of the management council administering the fund. A foreign member may not act as

chairman of the management council, only as an honorary chairman (Decree 93 (2019) Articles 26.1 and 27.7)”. It is with these aspects of Vietnamese nonprofit laws that sentiments of more elaborate regulations from Vietnam are formed by the global public. Social enterprises on the other hand are slightly easier to establish and manage in Vietnam and are elaborated upon in later parts of this project.

3. NGO vs. NPO vs. Social Enterprise

The United Nations defines a non-governmental organization as a non-for-profit, voluntary citizens’ group, which is organized on a local, national or international level to address issues in support of the public good (Kantrowitz). This research utilizes the terms non-governmental organizations (NGOs) and nonprofit organizations (NPO) interchangeably as the professional field for this topic also demonstrates. It is reasonable, for research purposes, to understand the internet differences of these terms in the context of this research. NGOs and NPOs are quite similar in the sense that they both work with the purpose of creating social good and making a positive impact rather than making profit. Differences are only sometimes evident in the funding, locations, and scope of work of these two types of organization. NGOs, as the name states, work outside the government yet sometimes still receive funding from government agencies as these agencies are not involved in the running of the organizations but rather allocate a portion of funds for various projects run by NGOs. NGOs also tend to have a more global footprint and have missions rooted in health, education, social protection, environmental issues and inequality. NPOs in contrast generally have local or national involvement and typically generate funds through grants, donations, and fundraisers only. These organizations have a board of directors that do not benefit from the funds earned by the organization. Cornell Law School defines a nonprofit organization as “a group organized for purposes other than generating profit

and in which no part of the organization's income is distributed to its members, directors, or officers” (Legal Information Institute). A nonprofit could have any purpose and is essentially given that label for designation purposes only. These organizations are not necessarily rooted in humanitarian work, as is apparent above with this Cornell resource that provides free academic resources. While NGOs commonly have larger existential issues, NPOs also have significant impact on communities. Analyzing discussions on this topic would have one assuming the battle between the nonprofit sector and corporate services. This is where social enterprises merge the two, nonprofit sector and corporate services, and produce innovative approaches to crisis. “In Vietnam, the term social enterprise is used to refer to a business that is created to address or solve a critical social or environmental problem in a financially sustainable and potentially profitable way” (British Council, 2019). The founding idea of social enterprise is that corporations have corporate social responsibility and that these obligations go beyond money and a financial bottomline. While social enterprises have comprehensive knowledge of profit and the need for it, these entities emphasize social awareness and change as well. Hence, some social enterprises can be created, operated, and owned by nonprofits while others are incorporated as for-profit entities.

4. Literature Review

The knowledge I gained from these pieces of work reach over multiple disciplines and themes below, as some works covered everything and others covered one thing. I have however, for the purpose of the research designated these resources below.

Vietnam historical context

Understanding the Vietnamese context for the research led to the explorations of works that detailed the necessary background on Vietnam’s relationship with non-governmental

organizations, nonprofits, and social enterprises. Understanding the political context of Vietnam was primary and, therefore, gave way to understanding the communist Political Party of Vietnam in Le Hong Hiep and Anton Tsvetov's "Vietnam's Foreign Policy under Doi Moi". Delving further into the workings of the Vietnamese government and particularly the historical context of how NGOs and NPOs were implemented into the nation was solidified by Son Pham's youtube video "NPO in HCMC 2020". The Vietnam Union of Friendship Organisations' overview of NGO partnerships and formations in the history of Vietnam then finalized the background knowledge I obtained for this research.

Non-governmental organizations

A deep delve into the workings of non-governmental organizations facilitated my numerous short and long reads that refreshed past knowledge and introduced new information. ResearchGate presented numerous pieces for consideration such as David Lewis' "Nongovernmental Organizations, Definition and History", which gave insight into the international development work of NGOs in their two forms of development projects or advocacy. Grace Budrys' "How nonprofits work" did just what the title states in its refresher of the operations and restriction of NGOs.

Nonprofits

The distinction between NGOs and nonprofits deepened the understanding of the legal and social implications of each type. Mazur and Nguyen's "*NONPROFIT LAW IN VIETNAM*" broadened my knowledge of the laws that dictated the operations and implementation of nonprofits, NGOs, and social enterprises in Vietnam.

Social enterprises

The topic of social enterprises was recurring in my research and the exploration of this organizational model benefited my understanding of other forms of business focused social change. Ray Horton and Sandra Navalli's "Social Enterprise" from the Columbia business school gave insight into the social responsibility of corporations and the need for the existence of social enterprises. The British Council's "Social Enterprise in Vietnam" then gave context for the operational capacities and history of social enterprises in Vietnam. The global perspective of that document crafted a more academic approach.

5. Global versus Local

A significant portion of this research explores and analyzes in a global versus local context. This context essentially framed the exploration of NGOs in Vietnam as all aspects of my research were duplicated to represent one global NGO and one local one. I analyze the outreach and methods of a global NGO versus that of a local NGO in Vietnam through their finances, mission, extent of outreach, and methods. After the exploration of the respective NGO, I analyze the results of that evaluation and consequently elaborate on the possible reasons behind the similarities and differences. This is where exploring inquiries like why a global NGO changes its methods in different regions of the world applies. Inherently expanding not only on the regulations of the regions where an NGO operates but also the unique demands of the area. This global versus local context serves as an appropriate lens as it creates a solid foundation with a significant distinction for allocative purposes in a comparative research project.

6. Selected Organizations

Oxfam

The first non-governmental organization I chose was Oxfam. Oxfam Vietnam to be more specific, as this serves as my global organization in the global versus local context. Oxfam is a

very reputable global organization working to end the injustice of poverty by helping people build a better future for themselves, holding those in power accountable, and saving lives in disasters around the globe. I chose this organization because of the innovative work they do in Vietnam, particularly for women, and their contributions to the decline of poverty rates in the country. The five areas of work that the organization centers around in Vietnam are to improve livelihoods for people living in rural areas, especially ethnic minorities and women, improve livelihoods for migrant workers in urban areas, especially migrant women, reduce vulnerability and increase adaptability to disasters and climate change, empower women to gain more control over their lives, increase their economic and political power, and gain more space to express their voices and claim their rights, and to empower communities and civil society to take part in public policy, the social and economic development of the country, a strengthened governance (rule of law) and government accountability. Oxfam has been present in Vietnam since 1955 and notes that of the total Vietnamese population of 88 million people (2010), 13 million people still live in poverty and many others remain near poor (Oxfam, 2019).

Aid for Social Protection Program Foundation Vietnam (AFV)

The local Vietnamese non-governmental organization I immersed myself into is the Aid for Social Protection Program Foundation Vietnam or AFV for short. This is a very admirable organization due to their work to eradicate hunger, reduce poverty, create more employment opportunities and implement community development programmes to support the poor, the disable, vulnerable people, especially poor, ethnic minority women and children in Vietnam. The AFV because of their national extensive work in Vietnam with the means of still managing to have local involvement. The organization has a management board of five members with varying

backgrounds and expertise. AFV works in solidarity with communities in various Vietnamese districts to improve lives daily (AFV, 2016).

7. Growing the Business

Communication With the Public

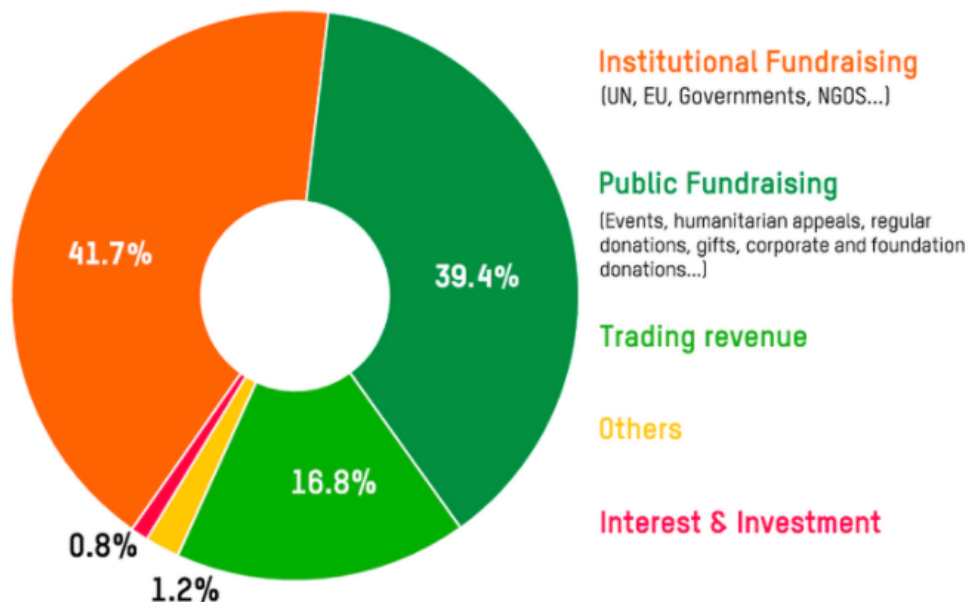
One of the greatest facets of non-governmental organizations are their modes of communication is the public. This is how an organization represents itself and maintains relationships with the communities they serve and beyond. Oxfam primarily communicates through their various websites, email lists, volunteer experiences, partnerships, publications, and press releases. AFV in contrast communicates through their ambassador network, volunteer network, websites, and sponsors, publications, reports, and community newsletters. These modes of communications benefit these organizations locally and globally, as the more virtual resources reach global communities while the local opportunities reach more rural areas. Through examination, it appears that Oxfam has a larger network and partnerships, as their global footprint is greater, However, AFV is more spread out in Vietnam and has slightly more communal networks as a result.

Means of Revenue

With the understanding that NGOs and NPOs are typically funded through grants, loans, private donations, and some governmental monetary allocation, the financial breakdown of these organizations can be intricate. Oxfam's funding is mainly from Institutional fundraising, public fundraising, trading revenue, and interest and investments. Institutional fundraising from entities like governments, the UN, and the EU, and public fundraising from events, donations, and gifts are the two largest portions of funding for Oxfam. AFV finances are less detailed through

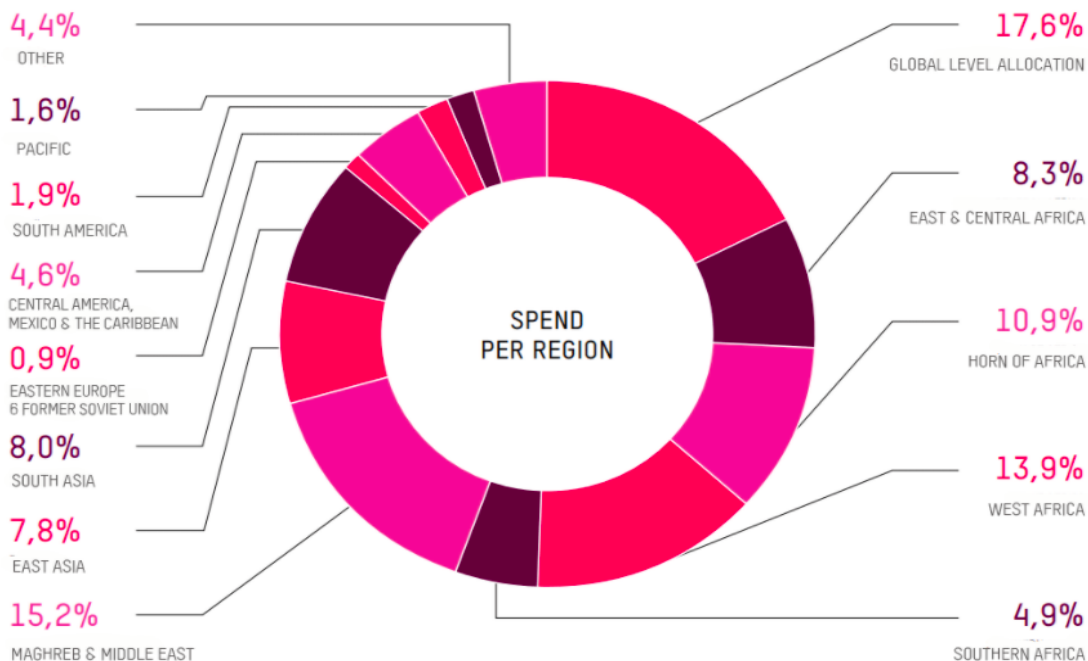
communication as the only financial knowledge they share is their acquisition of funds through donations like their child sponsorship programs and fundraisers like their sing together event.

OXFAM



Allocation of Revenue

OXFAM



8. Social Change and Impact

Mission

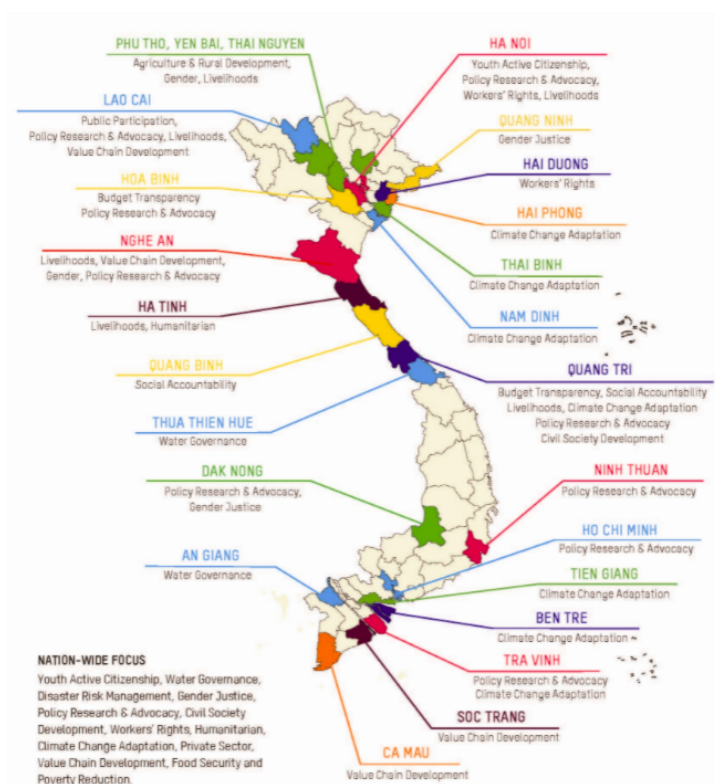
As expressed earlier, the values and purpose of NGOs are central in their goal and Oxfam and AFV are no different. Oxfam Vietnam elaborates on their purpose through the two lenses of “our vision” and “our work”. They explain that “Our vision is a world where people are valued and treated equally, enjoy their rights as full citizens, and can influence decisions affecting their lives” and their work is conveyed through the message that “Oxfam in Vietnam works for a place where benefits, costs, opportunities and risks of growth are equitably shared and where disadvantaged and marginalised groups are no longer excluded. We seek to end poverty, inequality and injustice through dialogue with government and business, through pressure where people’s voices will need to be compelling” (Oxfam, 2019). Aid for social protection program foundation Vietnam explains their purpose in scopes rather than two. AFV states their value as working “to eradicate hunger, reduce poverty, support enhanced living quality, ensure human’s right and develop social justice. AFV works with many different partners, primarily including: the poor, the excluded and marginalized people who are suffering from social discrimination and poverty to fight for their right”. This message is then coupled with their mission “to work in solidarity with people living in poverty to eradicate poverty and injustice” and their vision of “a world without poverty and injustice in which every person enjoys the rights to life with dignity” (AFV, 2016). Reviewing the mission/vision of non-governmental organizations is indispensable in the process of wholistically understanding them adds to the comprehension that the purpose of these organizations frames the focus and drive of said organizations.

Asset Mapping

In the exploration of the extent of outreach of these two organizations, it is important to note the presence of their services through asset mapping. Oxfam is recognizably a global NGO with numerous global centers. However, Oxfam’s global reach is momentarily disregarded in just this section for the purpose of comparing the extent of the two organizations in the same space, that being Vietnam. The maps below perfectly outline the locations of these organizations in Vietnam which then gives insight into their audience, and ultimately an understanding of their involvement in the community. This analysis brings us to the conclusion that Oxfam and AFV have very similar presence in Vietnam’s regions. AFV has slightly more sites in the northern districts while Oxfam has more in the central region of the nation. The reason more Oxfam’s greater presence in the central districts is not merely because of their substantial network and power, but also the insightful recognition of the social and political accountability services they aim for in those hot spot regions.

OXFAM

AFV



Methods of Aid

A discussion of the methods of aid these organizations embody leads to the observation of the programs they implement in the above communities. Oxfam takes action with their programs that include good governance, women's rights, disaster resilience, resource rights, and active citizenship. The aim of these programs, respectively, are to ensure all citizens have access to information and feel confident to raise their voice, give women more power over their lives, help high-risk areas become more resilient to climate change and disasters, ensure sustainable food and fair sharing of natural resources, and promote collective action of people living in poverty and confront any qualities. AFV then has programs rooted in sustainable agriculture, governance, response to disaster and climate change impacts, women's rights, and quality education. These programs and goals are key ways for these organizations to illustrate their missions and values while growing their network for even greater change.

9. Interpretation

a. Similarities/Overlap and Disparities

Vietnam has unique needs in areas such as agriculture, community development, climate and disaster, poverty, and health. It is evident that these two non-governmental organizations, Oxfam and AFV, share qualities in their mission, communication, presence, and programs. Both organizations have missions and values that center around advocacy and implementations of action for the poor and marginalized. Both entities envision a world where all people are treated equally and given opportunity to thrive. Establishing the connection that both organizations predominantly focus on poverty gives away to the inside that one organization, that being

Oxfam, having greater global influence, does not display detriment to a smaller organization that focuses on essentially the same things. When an organization has similar purposes, regardless of size and resources, The implementation of this essentially trickles down to the same/similar outcomes. As we see, both organizations have greatly similar amounts of sites in the nation and the placement of said sites. The overlap in programs Is also demonstrated of the appropriate disregard of historical influence in the context of global or local. Manifesting ways in which to help women, the poor, and the marginalized essentially come down to the human centered aspect rather than the organization. The biggest differences/discrepancies of these two organizations were in their finances and resource allocation. Oxfam obviously had more funding as expected, yet rather presented an interesting detail with the understanding that a significant portion of that came from institutions like governments, the UN, and EU. AFV lacks that luxury and rather highly depends on donations and fundraising as they are a more centralized entity and have a smaller target audience to serve. A deep dive into both non-governmental organizations has displayed the balance between profit and impact. It appears that an organization like Oxfam, with the bigger network, has greater responsibility and, consequently, transparency with their finances. Non-governmental organizations, nonprofit organizations, and social enterprises in Vietnam will continue to prioritize social change as they approach making profit through the humanitarian lens. Making a profit is secondary for most and the double bottom line of these organizations is merely a means of survival to create more change the next day.

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