

SOCIAL ENTERPRISES IN VIETNAM AND IRELAND



Source: Ethos

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NHÀ XUẤT BẢN LAO ĐỘNG



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FOREWORD

Within this book, you will find inspiring stories from Viet Nam and Ireland of inspiring individuals, who undertook amazing initiatives to provide positive solutions to challenges that they faced. While the contexts are very different, these social entrepreneurs and social enterprises show a common commitment to improving quality of life, especially of the disadvantaged, empowerment and sustainable development. These stories need to be celebrated and shared, which is precisely what this book achieves.

We welcome this volume that is the culmination of a two-year collaboration between the National Economic University in Hanoi and Trinity College Dublin. The value of such collaborations is not only in the end result, but also in the relationships formed along the way that open up new ideas and new connections between researchers.

The two research centres involved: The Centre for Social Innovation and Enterprise (CSIE) at the National Economics University in Hanoi, and the Trinity Centre for Social Innovation (TCSI) in Trinity Business School, Trinity College Dublin, both play the important role of advancing research and teaching of social innovation and engagement with social enterprise, and have shared ideas and knowledge on how to advance their work. These Innovation Centres, in both Hanoi and Dublin, ensure that social enterprise and innovation are embedded in the curricula of their respective universities, and is advanced nationally and internationally.

The National Economics University is Viet Nam's first and leading university in business and economics. Established in 1956 National Economics University chairs a network of more than 40 universities in economics and business administration and is a leading research center. CSIE was established in 2017 under the Direction of Founder, Associate Professor Truong Thi Nam Thang. CSIE conducts research, policy advocacy, incubates and provides support to the ecosystem for social innovation and entrepreneurship in Viet Nam.

Trinity College Dublin is Ireland's leading university, ranked first in the country, and founded in 1592 by Royal Charter. Trinity Business School has EQUIS and AMBA accreditations putting it in the top 1% of business schools worldwide. The Centre for Social Innovation (CSI) is co-Directed and co-Founded by Professors Gemma Donnelly-Cox and Mary Lee Rhodes in 2017, and grew out of the former Centre for Nonprofit Management. The CSI brings together over a dozen professors who research, teach and engage with social innovation and social enterprise.

On behalf of the National Economic University and Trinity College Dublin, we congratulate all those involved in this initiative: the authors, the contributions made by students at the two research Centres, and the social enterprises themselves, which contributed time and effort to be part of this book.

Finally, this book is an example of the excellent and worthwhile initiatives funded and supported by the Irish Department of Foreign Affairs and Trade, through Irish Aid.



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Above all, we would not have a casebook without the involvement of our 22 social impact organizations whose story we tell; 12 from Viet Nam and 10 from Ireland. We thank each of them and appreciate the trust they have placed in us to tell their story; the struggle of startup and the obstacles most have had to overcome to be able to create a sustainable social impact business changing the lives of many as they work towards assisting Viet Nam and Ireland to achieve the United Nations Sustainable Development Goals.

In Viet Nam: Nguyen Thi Le Na, Cam Vinh Ky Yen; Duong Phuong Hanh & Tran Tri Thanh, CED; Phil & Hoa Hoolihan, Ethos; Ngo Mai Anh & Nguyen Minh Quang, Dao's Care ; Thao Vu, Kilomet109; Mark Barnes & Leanne Dowler, REACH; Thành Nguyễn và Hiền, Salon Thanh Nguyen; Ly Lao Lo, Sapanapro; Kim Đức, Think Playgrounds; Rafael Masters & Ella Trinh, Vulcan Augmentics; Nguyen Viet Cuong, Vun's Art; Nguyễn Thị Vân, Imagtor.

In Ireland: Alan Boardman at Blackwater; Rachel Grant at CRANN; Alex Cooney at CyberSafeIreland; Aaron Jewell at Dublin Food Coop; Naoimh McNamee at Glenree; Gordon Randles at Letterkenny Credit Union; Krystian Fikret at MyMind; Clodagh O'Reilly at ReCreate; Kevin Maughan and Edel Kennedy at UrbanVolt; and Comac Moloney at Vantastic. We are also grateful for expertise and input from Chris Gordon at the Irish Social Enterprise Network. Our work was also assisted by two Trinity MBA teams who worked with Crann and Blackwater Eco Tours.

The book is made under the project "Social Innovation and Enterprise Accelerator" between the Center for Social Innovation and Entrepreneurship (CSIE), National Economics University and the Centre for Social Innovation, Trinity College Dublin, funded by the Embassy of Ireland through the Viet Nam Ireland Bilateral Education Exchange (VIBE) programme.

This book would not have been possible without the input and assistance from a talented and dedicated team of young social impact interns working with CSIE. We would like to acknowledge their important contribution and thank them all Vy, Sơn, Đạo, Phương and others.

While we are indebted to all those mentioned above for the creation of this book, we take full responsibility for the contents and any errors are our own.

We hope you enjoy the outcome of this collaboration, which presents the similarities and differences between social enterprises in Viet Nam and Ireland. We remain inspired by the efforts and dedication of so many, who show through these cases unwavering commitment to contributing to the wider public good. We are grateful for all that they do and are honored to tell their stories.

The Authors

Thang, Sheila, Cherrell, Shivangi and Mary Lee

INTRODUCTION

Social entrepreneurship is the simple idea that businesses can and should have a positive social impact. How that idea manifests in different places varies greatly and is more complex. The corresponding organisations, the social enterprises, are influenced by history, culture, geography, social needs, and the legal and political frameworks. This book is an exploration of social enterprise in Viet Nam and Ireland, containing illustrative examples of social enterprises, twelve in Viet Nam and ten in Ireland.

We begin by drawing out differences and similarities between social entrepreneurship in two different geographical locations. Following this introduction, overviews of social enterprise (SE) in each country provide more detail on the specific features and contexts. As can be seen from the overviews, Viet Nam, located in Asia with a population of 97 million, and Ireland, in Europe with a population of 4.8 million, have some interesting similarities and some obvious key differences. Size, location and economy are the most obvious starting points regarding differences, with Viet Nam having over 20 times the population size of Ireland.

This book is a collaboration between The Centre for Social Innovation and Entrepreneurship (CSIE) at the National Economics University (NEU) in Hanoi, and the Trinity Centre for Social Innovation (TCSI) in Trinity Business School, Trinity College Dublin. Researchers, students and volunteers have been working at both institutions on VIBE: Viet Nam Ireland Bi-Lateral Exchange programme. This collaborative work has been funded by Irish Aid and the National Economics University and aims to:

- Showcase and highlight the important work undertaken by Social Enterprises in both countries
- Provide a comparative and interesting view of the sector
- Encourage funding and support for the sector through telling the stories of the extraordinary challenges faced by these businesses and the success they achieve through sheer persistence to make a difference
- Encourage others to look for the social impact they too could achieve and start their own Social Enterprises
- The book is for social innovation but it is a social innovation

Authors from CSIE wrote the Vietnamese cases, and authors from TCSI wrote the Irish cases. Through this collaboration we have become more aware of the unique and shared features of SE in our own countries. These similarities and differences are outlined below.

ECONOMY: SIMILARITIES AND DIFFERENCES

Ireland and Viet Nam have both experienced recent and rapid economic development, but their economies differ in significant ways. The International Monetary Fund ranks Ireland's Gross Domestic Product (GDP) at 31 (381k USD), and Viet Nam at 44 (260k USD), which seems close, but when considered per capita, the rankings change to Ireland (5th) and Viet Nam (121st). The Human Capital Index, which measures health, education and productivity, ranks Viet Nam 48th and Ireland 6th. Viet Nam is a developing country, and has received foreign development aid, which is reducing as the country's economy grows. Ireland is a developed country, and gives development aid, via Irish Aid, which is supporting the creation of this book. Therefore, social enterprise in Viet Nam is supported by development aid, external sources of funding adding to the main self-financing scheme by Vietnamese social entrepreneurs, while Irish social enterprises, are supported by internal sources of funding, mostly public and some private.

While economic growth has been significant in both places, it has not been experienced equally by all citizens. In other words, some, as in many societies, have been left behind by this growth, in both rural and urban areas. Often, these are the beneficiaries of the SEs. For example, in this volume, ETHOS supports eco-tourism in the Sapa region, a rural area in North Viet Nam with ethnic minority groups and high poverty. The income from the sustainable tourism initiatives go directly to improving the quality of life of the residents. Similarly in Ireland, Blackwater Ecotours is funded by the government to provide employment opportunities to those who have been long-term unemployed for various reasons. In other words, SEs in both Viet Nam and Ireland address social and economic inequality. We can also see from this example, that the area of activity and content of the SEs is similar in many cases.

SUSTAINABLE DEVELOPMENT GOALS

In 2015, the United Nations member states, including Ireland and Viet Nam, signed up to the 2030 Agenda for Sustainable Development, which included 17 Sustainable Development Goals (SDGs). These goals provide a path to sustainable development for all countries and include elements such as ending poverty, access to healthcare, gender equality, peaceful societies, protection of the environment, and human rights. While the SDGs are important to both Viet Nam and Ireland, SEs in Viet Nam engage more obviously with these goals than do Irish SEs.

Ireland published its National Implementation Plan 2018-2020, against which it reports progress annually. In other words, the SDGs shape public policy, including the community and voluntary sector in Ireland, which social enterprise is a part. Ireland's priorities in its National Implementation Plan are to raise awareness of the SDGs and increase participation and policy alignment. The low awareness of SDGs can be found in this book, where the social enterprises do not actively connect their work to the SDGs. The goals are only beginning to filter down from the top policy making world, to the participants in social enterprises.

In 2017 the Vietnamese government nationalized 17 Sustainable Development Goals (SDGs) in the "National Action Plan for Implementation of the 2030 Agenda for Sustainable Development" as part of their commitment to social development in Viet Nam. This Agenda is aimed at ensuring a better and safer life for all Vietnamese, now and into the future. It includes policies aimed at promoting social equality especially for disadvantaged groups such as the poor, people with disabilities, women, children and ethnic minorities. Results achieved to date are promising with a reduction in poverty from 9.9% (2017) to 7%, almost all Vietnamese children enrolled in primary school, 99%, with 99.7% completing primary school and 93.4% of families having access to safe water. To assist business to work with the Government in achieving the SDG's, the Viet Nam Business Council for Sustainable Development has been established. In this book, all of the SEs relate their work and activities to the SDGs, in contrast to Irish SEs.

THE ORIGIN OF SOCIAL ENTERPRISE

SE has quite different origins in Viet Nam and Ireland. One of Viet Nam's first social enterprises, REACH, was established in 2008, and is featured in this book. REACH runs four SEs and has trained over 16,000 youth from disadvantaged backgrounds and placed them into jobs. SEs were first officially recognised in Viet Nam in 2014 when legislation enabling business to register as a social enterprise was introduced. Since then 80 social enterprises have been registered but the growth in social impact businesses is increasing exponentially. As a hub for social impact business in Viet Nam, CSIE continues to work with and research the needs of these businesses providing valuable feedback to Government so better policies supporting the growth of this important 3rd sector can continue.

In Ireland, SEs are building on a long history of voluntary sector organizing, with early charity law

dating back to 1634. The church in Ireland was the source of much early voluntary organizing, with Catholic order and Protestant parishes setting up hospitals, schools, and development organisations. There is a noticeable influence from Europe in the Irish history of democratically run organizations (credit unions and cooperatives); and there is also influence from the United States of America, with individual social entrepreneurs leading many of the SEs (the Innovative Individual model). Many community groups became formal organisations with charitable status. Most of these groups get at least some if not most of their funding from public sources, thus distinguishing the Irish model from the American, where such groups rely more heavily on private philanthropy. This model is called ‘welfare partnership.’ In July 2019, the Irish Government launched its first policy for social enterprises.

FUNDING CHANGES: FROM GRANTS TO LOANS

In Viet Nam, development funding is not only decreasing, but is evolving from grant funding for poverty relief to sustainable giving that supports economic development. Muhammad Yunus is considered the originator of this concept through his work in Grameen Bank¹ that began the microfinancing movement in the developing world. As Viet Nam’s economy grows, development aid reduces, leaving a gap or growing need for social supports. Donors turn to ‘sustainable giving’, that is, a focus on donating to equipment, managerial training, and other supports that will enable the social enterprise to generate its own income, rather than depend on continuing donations. For example, Thriive² is a donor that supports Cam Vinh Kỳ Yến Organic Orange Farm, Thanh Nguyen Hair Salon, and The Will to Live Centre, all featured in this volume. Thriive’s tag line is: “Building shared prosperity in vulnerable global communities.” They call their donations ‘loans,’ but instead of returning the funds, Thriive asks the organisations to ‘Pay it Forward.’ The SEs as part of their ‘loan’ agreement, must have a social impact, or help others in some way through their business.

In Ireland we have a similar idea: empower organisations rather than make them grant dependent. Following the economic recession in 2007, state funding for many programmes was reduced, including in nonprofit sector. The Social Innovation Fund of Ireland (SIFI)³, like Thriive, calls their donations ‘loans,’ even though they do not look for the funds to be returned. What they do look for in return is evidence of impact. SIFI supports their grantees to measure and report on impact, and release the funds based on impact, rather than reporting on a grant. In this volume, SIFI supports ReCreate and MyMind. While the practice of grant giving is the same as traditional giving, the concept represents a shift in mindset, away from dependency and towards empowerment and self-sustainability.

LEGAL AND POLICY FRAMEWORKS

The legal and policy frameworks in both countries differ in that Social Enterprise is a legal form in Viet Nam, but not in Ireland. The interesting similarity is that there are recent public policy frameworks for SEs in both countries, but these frameworks only include part of the SE sector. Only 80 organisations are registered as SEs in Viet Nam, but a recent mapping of the sector includes 22 thousand SEs. In Ireland, the recent government policy includes two of the five types of social enterprises: Public Sector SEs (PSEs), and some Commercialised Non Profits (CNPs). Thus, we can conclude for both countries that there are public attempts to provide stronger SE policy frameworks, which are challenged by the fact that it is hard to draw clear boundaries around the SE sector.

¹ <http://www.grameen.com/>

² www.thriive.org

³ <http://www.socialinnovation.ie/>

DIFFERENT TYPES OF SES

In Ireland we have identified five different types of SEs: Innovative Individuals (IIs), Commercialised Non Profits, Public Sector SEs, Emergence of SE in Europe, and Social Businesses. The last type, social business is not included in the Public Policy on SE. In contrast in Viet Nam, most of the SEs in this volume are Social Impact Businesses, which are central to the SE sector in Viet Nam. In terms of the Innovative Individual type, most of the Vietnamese examples are IIs, whereas only three of the Irish cases fit this model (ReCreate, MyMind, and CyberSafeIreland). Instead, the Irish SEs relied on groups that formalised into organisations (Vantastic, Blackwater, CRANN, Letterkenny Credit Union, Dublin Food Cooperative).

While there are differences in types of SE, the areas of work and activity that they cover overlap and differ. The similar areas are: sustainable tourism, disability support, rights and empowerment, employment for the long-term unemployed, food services, training, and education programmes. In Viet Nam income generation for social purpose includes textile production, massage parlours and nail salons, reflecting local culture and traditions. In Ireland income generation relies on coffee shops, accommodation, mental health services, membership fees, and on-line training.

CONCLUSION

In this introduction chapter we have reflected and elaborated on the differences and similarities between SEs in Viet Nam and Ireland. The two national contexts differ significantly in terms of language, culture, geographic location, size, economic development, and history. Nevertheless, the areas of similarity are significant: types of organisations, unclear boundaries around the sector, areas of activity, trends in funding, and beneficiaries. Finally, the individuals involved in SE in Viet Nam and Ireland are equally as inspiring, sharing a passion for making their world a better place by improving the quality of life for those around them.



OVERVIEW OF SOCIAL ENTERPRISE SECTOR IN VIET NAM



Source: Ethos