



# Current status of CSR in Vietnam

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# Contents

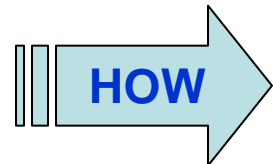
- CSR context
- CSR performance
- Tools and instruments
- Challenges

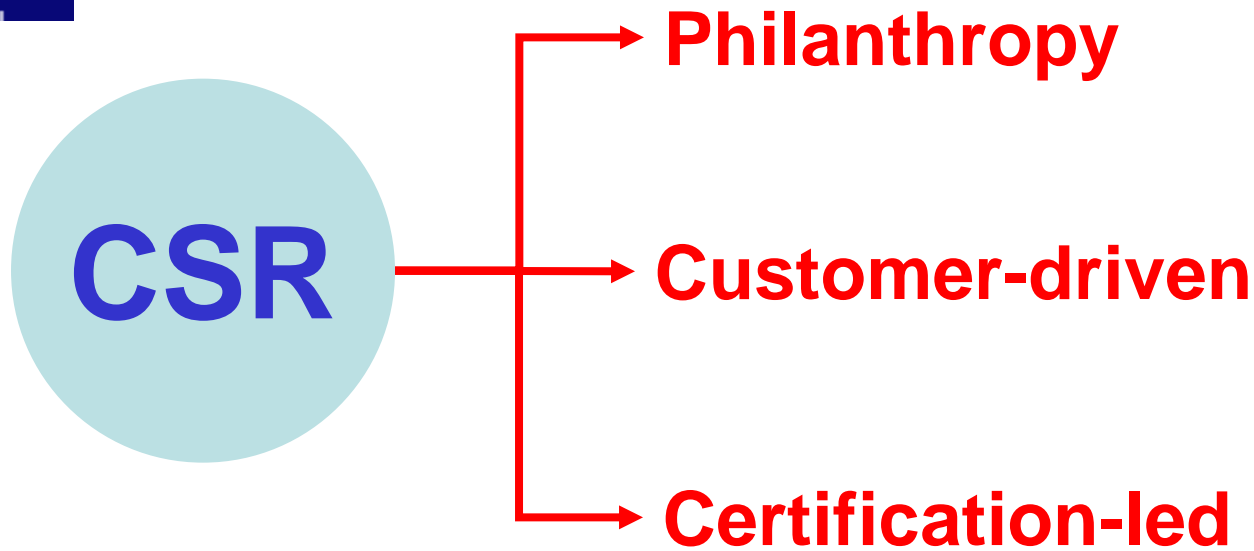
# Research on the current status of CSR in Vietnam

*July 2007*

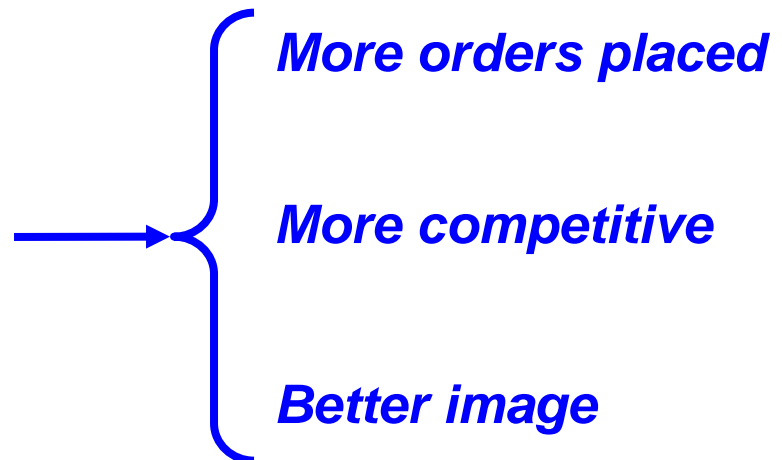
# CSR coming to Vietnam

- Firstly introduced by international corps. sourcing in Vietnam, under the form of CoCs or social standards requirements
- Initial applicants for CSR are factories getting involved into global value chain
- But... not understood the same by every actor in the society

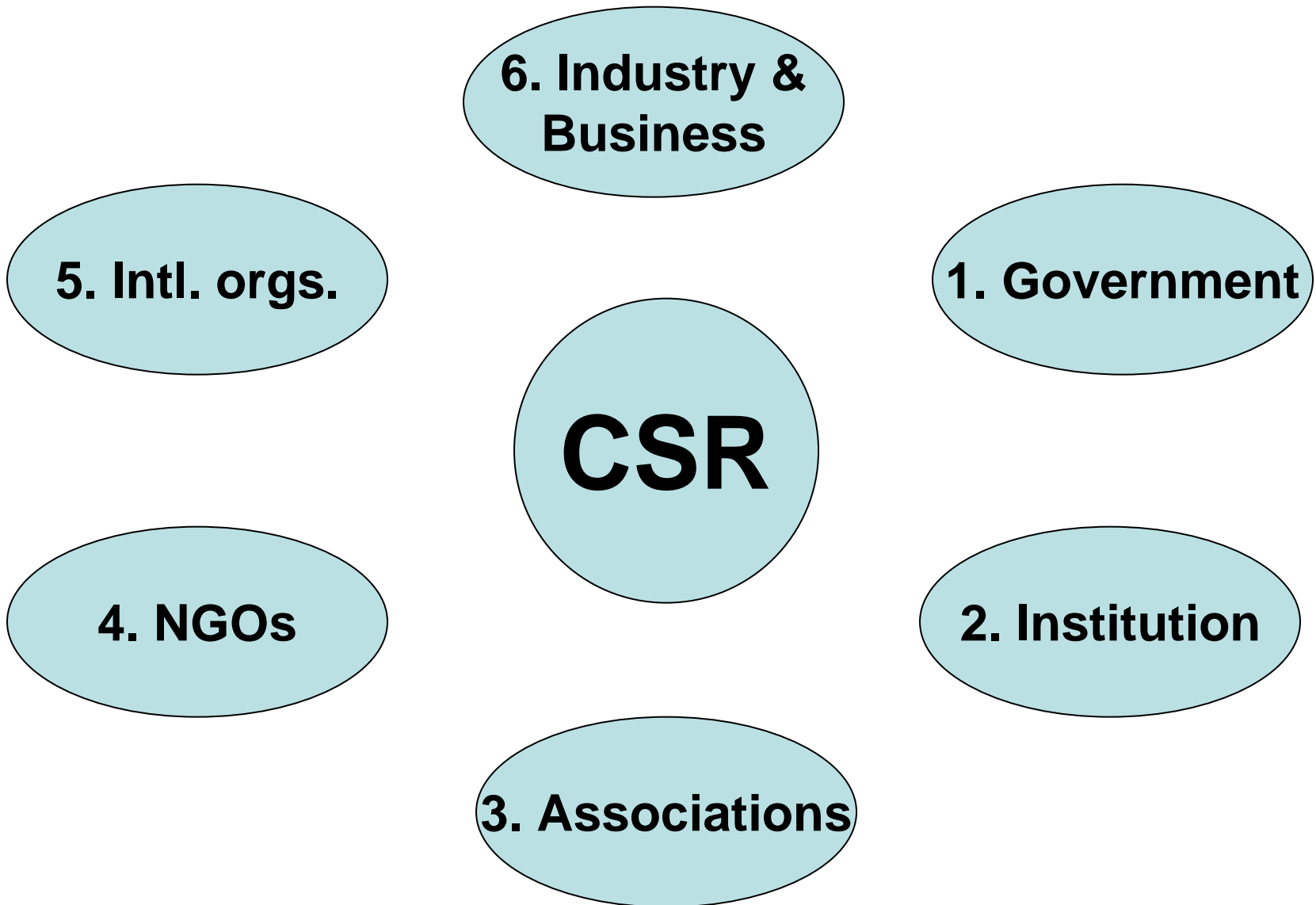




However, it still motivates the implementation of CSR at the workplace



# CSR performance



# 1. Government's involvement

- 🌻 Founder: World Bank
- 🌻 Partner: Vietnam's Ministry of Labour, Invalids & Social Affairs
- 🌻 Time: 2004
- 🌻 Programme: Strengthening developing country's government's engagement in CSR
- 🌻 Objectives:
  - Raise awareness on CSR among governmental officials
  - Engage the government into the strengthening of CSR
- 🌻 Starting point: labour issue in footwear and textile industries

**Vietnam Cleaner  
Production Centre  
(VNCPC)**

**Vietnam  
General  
Confederation  
of Labour  
(VGCL)**



**Uni. of Labour  
& Social  
Affairs  
(ULSA)**

# VNCPC

- Founder: UNEP/UNIDO
- Partners: Ministry of Education and Training (MOET), University of Technology
- Functions:
  - Raising awareness on cleaner production (CP)
  - Demonstrating CP assessment
  - Promoting the concept of CP in industries thru legislation
  - Integrating CP into university's curricula
  - Supporting CSR at enterprises, using such instruments as CP, EST-transfer or social services

# VGCL (1)

- A good deal of projects on labour issues have been implemented by VGCL with supports from intl. orgs.:
  - Capacity building for trade union officials nationwide
  - Instructions to workers regarding worker's rights and responsibilities
  - Topics: industrial relations, collective bargaining, child labour, conciliation, social dialogues and promotion of trade union, wage policy in non-SOEs, migrant workers and gender issues
  - Tools: survey, study-tour, training, consultancy, documentation (books, video, etc.)

# VGCL (2)

- Establishment of a Legal Centre system throughout the country (8 centres, 23 offices and over 80 law consultancy group)
  - Provide free consultancy service to workers
  - Update the state's policies in labour issues
  - Set up good working relations b/w employees and employers
  - Reduce labour strikes
  - Provide info on admin. activities for the Presidium
  - Compile dossiers on the implementation of labour law and trade union law

# ULSA

- 😊 Founder: GTZ, VBLI (after CSR Roundtable series)
- 😊 Programme: Integrating CSR into curriculum in that university
- 😊 Time: start in 2005 and on-going
- 😊 Progress: 3 training courses on CSR conducted for 86 lecturers, integration of CSR into the curricula of students in Labour Management, Social Work, Accounting and Insurance subjects

**Vietnam Textile  
& Apparel  
Association  
(VITAS)**



**Vietnam Leather  
and Footwear  
Association  
(LEFASO)**

# Associations

- 🌍 Developing and promoting the CoC for footwear enterprises
- 🌍 Recognizing good CSR performance by enterprises thru CSR Award, which receives financial support from ActionAid Vietnam
- 🌍 Contributing to a series of CSR activities managed by VCCI

**Vietnam Chamber of  
Commerce & Industry  
(VCCI)**

**ActionAid  
Vietnam  
(AAV)**



**Social  
Accountability  
Intl.  
(SAI)**

# VCCI (1)

**First-ever  
PPP  
initiative**



**OHS**



**Footwear &  
Textile**



- **Consultancy**
- **Training**
- **MSS**
- **Research**



# VCCI (2)

- ✿ CSR Roundtables and Seminars
- ✿ CSR surveys and researches
- ✿ Regional CSR Conference
- ✿ Annual CSR Award (footwear & apparel)



**Promote CSR  
at the workplace**

**Transfer the concept of CSR  
to stakeholders and  
orgs. concerned**

## VCCI (3)

**S  
D  
4  
B**

- ✓ Providing guidance to the President of VCCI and related bodies on how to speed up the sustainable development of businesses
- ✓ Encouraging the participation of business community in the implementation of CSR
- ✓ Supporting enterprises to undertake CSR initiatives with recognised tools and models so as to improve their competitiveness
- ✓ Monitoring and evaluating the CSR performance by business community

# AAV

- Focus on gender issues in manufacturing world
- Objectives:
  - Equality of gender
  - Capacity building for women and migrant employees
- Activities:
  - Conducting surveys on gender issues, with emphasis on women and migrant workers
  - Delivering training to improve their awareness on labour rights, social skills and skills needed to solve disputes and conflicts
  - Consulting on labour code, HIV/AIDS, reproductive health and the like
  - Getting gender issues attached to CSR spectrum at the workplace, taking some CSR initiatives, especially the CSR Award for businesses

# SAI

- ◆ Focus: disseminating SA8000 standard
- ◆ Tools:
  - Training
  - Seminar, conference
  - Consultancy

## 5. Internationals organisations

**World Bank**

**IFC-MPDF**

**UNIDO**

**ILO/VCCI**

**GTZ**

**INWENT**

**Danish Intl. Aids Agency (DANIDA)**

# WB

- Providing technical assistance programme on CSR
  - Conducting an overall assessment of current status of CSR practices at national and sub-national levels
  - Giving recommendation to the Government to promote CSR in the country

# IFC-MPDF

- 📄 Supporting businesses in perceiving the concept of CoCs and main environmental and social responsibility standards (in Vietnam, Laos and Cambodia)
- 📄 Training for Global Standard Co. to be a certification company in this regards
- 📄 Undertaking a series of activities towards the sustainability in industries:
  - Setting up a training centre for garment & textile
  - Sustainable tourism for hotels & restaurants
  - Support to business and wood processing farming

# UNIDO

- 🌻 Promoting sustainable industrial development thru aligning CSR to firm's core competencies
- 🌻 Developing a project concept on eco-friendly recycling of used oil and lubricants discharge by the transport industry (in co-op with Ministry of Industry) → good impacts on livelihood of local community
- 🌻 Producing a seminar paper (in '04) on the relevance of CSR for SMEs in developing countries (in the fields of cleaner production)

# ILO/VCCI

- Programme “Worker-Manager Factory Improvement” (WMFIP)
  - Integrated approach from training to in-factory consultancy
  - Focus: labour practices, working conditions, competitiveness
  - Targeted audience: many industries
  - Go ahead with 2<sup>nd</sup> phase now

# GTZ

- Getting involved into 5 CSR projects so far
  - AVE-GTZ-PPP CSR Roundtables
  - Three projects to improve social and environmental issues in the coffee supply chain
  - Project with Metro supermarkets on food and vegetables value chain
  - PPP-project on vocational training
  - A join-project regarding environmental standards in wood processing industry

# InWEnt

- ✓ Programme “Social Standards Exchange of Experience in Southeast Asia and Practical Learning” (SEAL)
- ✓ Target: initiating core labour standards in SMEs throughout Southeast Asia
- ✓ Contents:
  - Awareness raising workshop
  - ToT training courses on SEAL/SMS (Social Management System)
  - 13 handbooks covering 13 training modules
  - A case-study book

# DANIDA (1)

- Technical transfer to enterprises in the areas of working environment (co-op with VGCL)
- Support to set up the **CSR Vietnam Co.** to:
  - Identify worker's safety and environment matters
  - Deliberate what should be taken to ensure social responsibility at the workplace

# DANIDA (2)

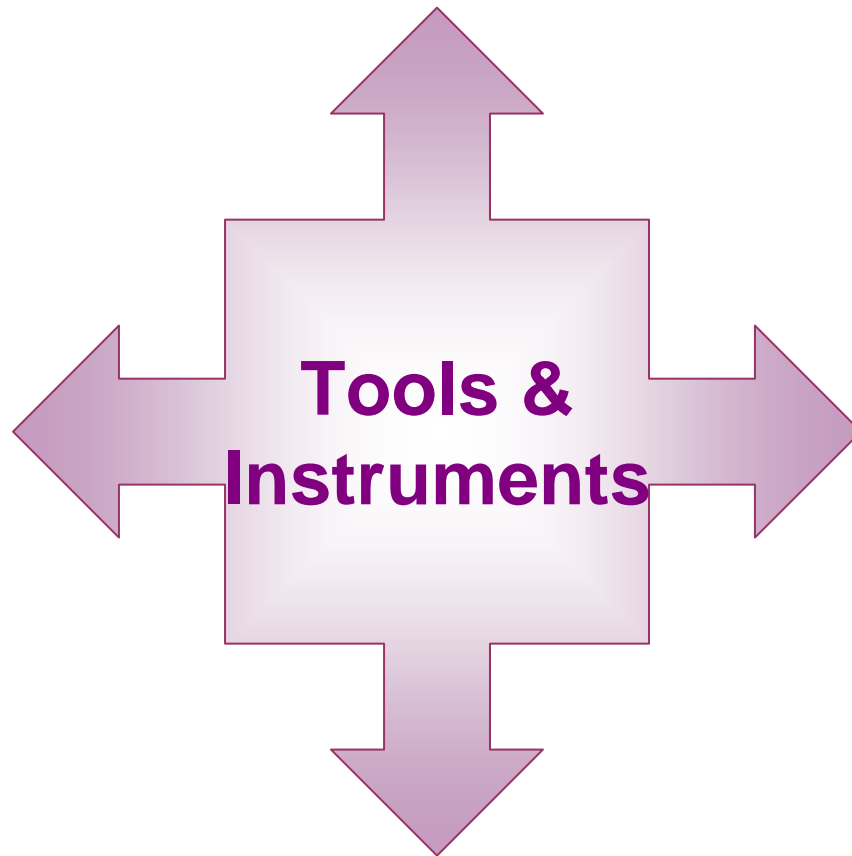
- Address the issue of cleaner production in the “Development Cooperation in the Environmental Program” (DCE)
- Address the issue of quality control, productivity and OHS in seafood sector in the “Fisheries Sector Program Support” (FSPS) launched in Jan 2006 (continuation of SEAQUIP in '04-05)
- Deal with the improvement of labour conditions in SMEs (co-op with VGCL, MOLISA & VCCI)

## 6. Industry and Businesses

- Only export-oriented enterprises adapt CSR policies and practices (mainly quality & social standards) as they're getting involved into the global value chain
- No separate department in charge of OHS and CSR, instead, it belongs to HR
- Still buyer-driven activity

**Legislative tools**

**Tools for info  
dissemination**



**Tools for  
public  
communication**

**Tools for capacity building**

# Legislation tools

- ♦ Labour Code enforcement
- ♦ Labour inspection

# Tools for capacity building

## Training

- Tailored to different target groups
- Mixed between employers and employees
- ToTs
- Team work
- Computer-based training (CBT)

## Certification for management system

## Worker participation and involvement

## Monitoring and audit

## Business development services (consultancy)

# Tools for public communication

- Publicity campaigns
- Internal communication on CSR: company value statement, staff meeting, new employees orientation, suggestion box, poster, banner and newsletter
- Dialogues and roundtables
- CSR reporting
- CSR Award

# Tools for info dissemination

- Info disseminating seminars, workshops
- Newsletters
- Business-government dialogues
- Industry business forum
- Website for CSR forum

# Challenges At national level

- ❏ Not yet adapted concept of CSR to Vietnamese context
- ❏ Gap b/w national Labour Code and CoCs
- ❏ Lack of law enforcement
- ❏ Lack of cooperation

# Challenges At industry level

- No longer-term commitment to CSR
- Overlapping of CoCs
- Weak capacity of local Trade Union
- Lack of cooperation

# Challenges

## At corporate level

- Different economic performances create CSR disparities between factories
- Lack of understanding of benefits from the application of CSR at factories → lack of support from employers
- Incapability of grass-root trade union

# Q & A