



# A RESEARCH PAPER ABOUT POLICY AND CREATIVE HUBS IN VIETNAM

By


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“Only one aspect of the creative economy is expressed in price information and income, while other critical parameters of its success are more bound up with intrinsic values and identities. Its governance, then, requires an awareness of a kind of complexity that cuts across a range of policy concerns.”  
(UNESCO and UNDP creative economy report - 2013)

## **A few words to start with:**

*Because of the complexity and the diversity of the creative scene, it is almost impossible for the researcher to fully describe a picture that represent the whole scene. Each hub is a unique organisation in its own area of activities with a distinctive background (who the founder(s) is, when, where and how it was established, what source of income it generates and how). For each hub when it comes to policy there are different layers of stories to be told, either about its legal status which indicate how much and how many kinds of tax it has to deal with, on what ground it should stay in the management system of the government or about the specific challenges it has to face. That is why each story or example raised in this research about a creative hub or a group of hubs contains one part of a complex picture only.*

# Reaction of creative hub owners about the research topic

When the researcher contacted creative hub owners asking for interviews related to the topic of this research, some of them were skeptical: “What are you doing this for? Is this for control purpose? Or to create some changes?” and then continued “There is a big gap between what we want the reality to be and the reality itself. Change requires the efforts of many different parties...Well, I know I should not be too negative. I should keep talking”.

One creative hub owner denied to meet the researcher because “It is a waste of time. Nothing will change”, she said on the phone.

Other hub owners were more positive: “Let’s keep sharing when we can”

Some others said: “Policy dialogue? Nothing new here. I don’t think there will be any change soon...”

Among all the people who were interviewed, one person said he was satisfied with the current situation and had no suggestion/comment about how he wanted the policy to be.

When the researcher asked some hub owners if they felt inspired by the latest government’s development strategies, statements and slogans to promote innovative creative startup, for example: “Vietnam wants to be a startup country” or “Vietnam aims at having 1 million enterprises by 2020”, they said they did not feel touched by the slogans or statements, they would appreciate the government’s practical policies, fair tax system, and open dialogues with hub owners more than the “big words”.

“For historical reasons, the authorities are not fully updated with the development of the art scene. Now they have to change. Artists should change, too. Understanding from both sides is very important” (Dao Mai Trang, visual art researcher)

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## Creative hubs in Vietnam

Creative hubs in Vietnam are at the early stage of development. Most of the hubs are from a few months old to less than 10 years old. There are approximately 40 creative hubs in Vietnam, of all shapes and sizes, operating mainly in Hanoi and Ho Chi Minh city. The number of creative hubs and the community around them is growing bigger and bigger under a very energetic movement.

To know more about the development of creative hubs in Vietnam, what they are, where they are, please go to:

<https://www.britishcouncil.vn/en/programmes/arts/creative-economy-project/first-research-on-creative-hubs-launched-in-Vietnam>

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**This report will be divided into the following main sections of analysis**

**01**

**Cultural industries /  
Creative industries /  
Creative hubs and where  
they currently are in  
the law system**

**02**

**Running a creative hub in  
Vietnam: The real picture**

**03**

**What hubs want from the  
policy makers**

**04**

**Tips from creative hubs:  
How to overcome existing  
challenges**

Conclusion of researcher

Last but not least: A quick calculation: How big is creative hubs community on Facebook

# PART 1

## Cultural industries / Creative industries / Creative hubs and where they currently are in the law system

In Vietnam, “creative industries” is still a new term that is not yet used in government policy papers. The concept of creative hubs as part of creative industries is even newer. However, the term “cultural industries” is more common and has been officially accepted.



A creative hub is a place, either physical or virtual, which brings creative people together. It is a convenor, providing space and support for networking, business development and community engagement within the creative, cultural and tech sectors.

(Definition of a creative hub. Creative hub kit, British Council

[http://creativeconomy.britishcouncil.org/media/uploads/files/Creative\\_HubKit.pdf](http://creativeconomy.britishcouncil.org/media/uploads/files/Creative_HubKit.pdf))

Even though “creative hubs” is not yet used and accepted officially by law/any policy paper, the awareness about the development of creative hubs and creative industries does exist. The concept is being discussed in the media from time to time. In the last few years, the Ministry of Culture, Sports and Tourism has been working closely with the British Council in a number of projects about creative industries/creative hubs and cultural industries in Vietnam.





The view on culture as part of the economy was first reflected in Vietnam Communist Party's strategic paper in 1998 - Resolution 03-NQ/TW of the 8th Party Congress. Fifteen years later, culture as part of the economy was officially recognised as "cultural industries" in Resolution 33/NQ-TW of the 11th Party Congress. However, the definition of the term "cultural industries" has not been defined in the government's paper.

The cultural industries in Vietnam - for where they are now - are the sectors under the management of Ministry of Culture, Sports and Tourism (MOCST) including: tourism, film, performing art, advertising, fine arts, photography and exhibition. (<http://www.bvhttdl.gov.vn/vn/vh-gd/phe-duyet-de-cuong-chien-luoc-phat-trien-cac-nganh-cong-nghiep-van-hoa-viet-nam-den-nam-2020-tam-nhin-den-nam-2030.html>)

*In the UK, creative industries include as many sectors as advertising, architecture, design, fashion, software/multimedia, film, TV, radio, publishing, music, performing arts, art market/visual art, and craft.*

Some creative hubs in Vietnam fall

into the above "cultural industries" sectors (for example film, visual art, fine art, performing art). Some others just do not. They fall into the creative industries sectors (like design, tech, architecture, multimedia, craft, software, e-commerce, internet games, mobile apps), and cross sectors. For some creative hubs it is hard to define what area of activities they belong to, since the nature of the hub is to build and sustain a network of different creative businesses and people.

Creative industries which includes cultural industries and creative hubs is a cross-sector concept that is complex and requires a holistic approach from various government bodies.

Within this research, the term "creative hubs" is the concept adopted from the UK that covers a wide range of sectors, which might create confusion in the Vietnamese context.

# 1

## A holistic concept yet to be defined by the government



# 2

## The divided management system and the divided scene of hubs

*At the moment the government still keeps control in most cultural areas. If the authorities see culture as an area of investment, they should open the door to the private sector. And if the authorities see culture as creativity, the mindset about control will change". (Mr. Le Quoc Vinh - media expert, President of Vietnam Creative Entrepreneurs Club)*



## The divided management system

A big challenge for embracing and exploring the concept of creative hubs and creative industries is the Government's divided management system in Vietnam which might, according to the UK's point of view, not provide a holistic approach and fair understanding to all creative sectors. For example: Ministry of Culture, Sports and Tourism takes care of Fine Art, Visual art, Photography, Music, Theatre, Copyrights; Ministry of Science and Technology takes care of Technology and Science and Intellectual Property; Ministry of Information and Communication manages the press, TV, radio, publishing, IT; Ministry of Construction manages Architecture; Ministry of Education and Training takes care of education and training related to all industries, etc.

Another important fact that separates cultural sectors from other creative sectors is that Culture (and media, too) is seen as a representation of the Communist Party's ideology in the society. Cultural activities are to be watched and directed carefully by the Party and government authorities at all levels.

*"Culture is a key component in the revolution of ideology, is a strong motivator and at the same time is a significant goal in the process of building socialism." (Resolution 05 of the 7th Politbureau, 1987).*

(In Vietnamese: "Văn hóa là bộ phận trọng yếu của cách mạng tư tưởng và văn hóa, là một động lực mạnh mẽ, đồng thời là mục tiêu lớn trong sự nghiệp xây dựng chủ nghĩa xã hội". (Nghị quyết 05 Bộ Chính trị, năm 1987)

*"To build and develop culture is the mission of the entire country people led by the Party, and the intellectuals play an important role" (Resolution 03-NQ/TW, 1998)*

(In Vietnamese: "Xây dựng và phát triển văn hoá là sự nghiệp của toàn dân do Đảng lãnh đạo, trong đó đội ngũ trí thức giữ vai trò quan trọng". (Nghị quyết 03-NQ/TW, Ban Chấp hành Trung ương 1998).

<http://www.bvhttdl.gov.vn/vn/vb-qly-nn/1/595/index.html>

## The divided scene of hubs

Due to the divided management system in Vietnam (sectors under ministries), Vietnamese creative hubs can be divided into two main categories:

**Type 1:** Most hubs in art & cultural sectors

**Type 2:** Hubs in other sectors (e-commerce, design, games, apps, software,...), especially hubs for startup community.

Regarding hub type 2, the most exciting new development is the startup boom in Vietnam, which leads to the rise of co-working spaces and start-up promoters. The movement of startup in Vietnam is stronger than ever. Startup activities is the most active sign of creative industry spirit in Vietnam. Startup is seen by the government as the driving force of the economy.



The Prime Minister of Vietnam said Vietnam wants to become a startup country. Big cities like Hanoi, Da Nang, or Ho Chi Minh city declared their goal to become “startup cities”.  
 (Links:<http://vpcp.chinhphu.vn/Home/Ho-tro-he-sinh-thai-khoi-nghiep-doi-moi-sang-tao-quoc-gia/20165/18641.vgp>  
<http://www.reuters.com/article/us-vietnam-tech-startups-idUSKCN0X92TB>)

A clear sign of government’s active role in the startup sector is the establishment of a national public-private project called Silicon Valley Ecosystem in Vietnam (VSV). With the dream to apply best practice from America’s Silicon Valley to Vietnam, VSV is a pioneer project nurturing a number of selected startups with skills and knowledge and connecting them with investors. The Ministry of Science and Technology and ATV company are the project implementers, with the recognition and support of the government. So far, VSV model is the first and only example of public-private partnership in the creative industries which is directly involved in “real business”.

(<http://www.siliconvalley.com.vn/>)  
 Regarding hub type 1 in the art & cultural sectors like visual art, film..., the atmosphere is different. Many hubs are struggling to sustain themselves while dealing with the challenges that limit the hub’s access to resources.

The immature market for art and cultural products, the inadequate presence of government support and the inconsistent acts of control of authorities at different levels are the big challenges.

Some hubs are doubtful about what the government can do to bring any positive changes to the scene. Some hubs distance themselves from the government or have very little interest in the policy making process of the government.

In term of community engagement activities related to the process of policy making, there is a difference between hub type 1 and hub type 2. Hubs type 1 are more separated from each other and don’t show as much networking and collaborative spirit

while hubs type 2 seem a lot more pro-active. The most recent activity of hubs type 2 is the petition campaign requesting for the cancellation of Article 292 under Penal Code 2015 which was supposed to come into effect by July 1st, 2016. The petition gathered 6,000 signature of startup people was sent to highest country’s leaders and ministers in June 2016, which contributed to the delay of the implementation of the Penal Code.

(Read more at <http://vietnamnews.vn/economy/299036/start-up-community-concerned-over-article-292.html#QEh99ZQL09ystTg.99>)

# 3

## Government legal framework on creative hubs

In 2014, for the first time ever, the Vietnamese communist party officially used the term “cultural industries” in Resolution 33-NQ/TW of the 11th Party Congress. According to the Resolution, one of the six missions to develop the culture and people of Vietnam with sustainability is to develop the cultural industries and to build the cultural market”

Later in 2014, the Vietnamese government issued Resolution 102-NQ-CP - the Action plan for implementing the Party Congress’s Resolution 33 about developing culture and people. The action plan stated that until the year 2020, the cultural market should be partly built and some of the cultural industries with competitiveness should be developed. Vietnamese culture should have its position in the international field. Another important mission is to continue building the legal framework and reforming the institutional system. By 2030, the government aims to complete the construction of a culture market and culture, improve the Vietnamese culture’s competitiveness in the region and the world; the legal and institutional reform in developing culture and people should be completed.

The Government’s Resolution 102 made it very clear that ministries are required to share responsibilities/missions listed in the Action Plan.

As a result of the acceptance from the highest level, the Ministry



of Culture, Sports and Tourism (MOCST) is assigned to draft the first ever “National strategy for the development of the Cultural industries in Vietnam for the period 2016-2020 with a vision until 2030”. The Strategy is yet to be approved by the Government, however it is expected to be approved soon.

On another note, Ms. Phuong Hoa, Deputy director of the Department of International Relations of MOCST said that the Ministry is trying to include “creative hubs” into the Strategy because the Ministry believes that creative hubs is one of the pillars in the strategies of cultural industries or creative economy developments of many other countries in the world. MOCST is taking the lead in spreading this approach among government bodies, hoping to supplement for the shortage of awareness in making policy and strategy on cultural industries development in Vietnam.

In the meantime, creative hubs in Vietnam, as nearly 100% of them are independent from the government’s support/investment, in their day to day business, are regulated by the existing law system and paying tax like any other form of registered business.

### Reference links

<http://dangcongsan.vn/he-thong-van-ban/chi-tiet-van-ban/id/1692.html> (Nghị quyết TƯ 5 năm 1998 về văn hóa “tiên tiến đậm đà bản sắc”)

<http://thuvienphapluat.vn/van-ban/Van-hoa-Xa-hoi/Nghi-quyet-102-NQ-CP-2014-Chuong-trinh-hanh-dong-thuc-hien-33-NQ-TW-phat-trien-van-hoa-con-nguoi-263143.aspx>

<http://en.baomoi.com/Info/Potential-for-developing-culture-industry-in-Vietnam/12/285851.epi>

<http://www.worldcp.org/vietnam.php?aid=423>

<http://english.tapchiconsan.org.vn/Home/Theory-and-Reality/2010/256/Developing-the-culture-industry-enhancing-competitiveness-of-culture-in-the-new-period.aspx>

<http://creativeeconomy.britishcouncil.org/blog/14/08/10/new-era-creative-industries-vietnam/>

<http://lyluanchinhtri.vn/home/index.php/dien-dan/item/1153-cong-nghiep-van-hoa.html>



# PART 2

## Running a creative hub in Vietnam: The real picture



Since there is no particular legal status for creative hubs at the moment, all hubs in Vietnam, either a non-profit, not for profit or for profit, have to register an enterprise license issued by the government/city/province/district. The type of enterprise is decided depending on type and scale of business for example: a household business, a limited company, a joint stock company. Each hub can register their area of business for example: Art/souvenir shop, Cafe/Restaurant, Offices for lease, Film producing service, Consulting service, Event planner, etc.

Being an enterprise, hubs have to pay taxes, for example license tax, enterprise income tax, value added tax, import and export tax, and some kinds of fee.

For some hubs, especially hubs that rely on funding and grants to survive (contemporary/experimental art spaces, for instance), it is a big challenge to conform to tax laws and fees, since their main sources of income don't come from selling products or services. As the hubs provide free access to exhibitions, workshops, art talks, it is very difficult to fit themselves in tax responsibilities.

Apart from being affected by the tax system, most hubs are affected by another control system called "Event permit". In most cases, in order to be able to organise a "public event" either at the hub or outside the hub, it is compulsory to apply for a permit from government authorities.

Hubs tend to attract the community

by organising events (exhibitions, film screening, workshops, art talk, seminars...). The application for event permits should be sent to relevant departments at the ministry level or the city/provincial authorities depending on the scale (national or provincial), theme of the event (a music show, a multimedia exhibition, a seminar, an art fair, a festival...) and the participants (Vietnamese and/or expats).

There are only some kinds of events that don't require permit (with certain conditions) for example "internal" events at a residential building/complex, at a company/agency/organisation's office/space. However, it is not defined clearly by law what is "internal" and what is "public" and there is room for interpretation between event

applicants and authorities.  
(Links to Decree 103 ND/CP 2009 about the regulation on cultural activities on public cultural services <http://thuvienphapluat.vn/van-ban/Doanh-nghiep/Nghi-dinh-103-2009-ND-CP-quy-che-hoat-dong-kinh-doanh-dich-vu-van-hoa-cong-cong-97236.aspx> [http://www.moj.gov.vn/vbpq/lists/vn%20bn%20php%20lut/view\\_detail.aspx?itemid=24898](http://www.moj.gov.vn/vbpq/lists/vn%20bn%20php%20lut/view_detail.aspx?itemid=24898))

(A quick comment from researcher: In some other cities or countries, for example Vancouver, Melbourne, or New York City, event organisers have to apply for an event permit if the event takes place at an outdoor public space like on the streets, squares or parks. The event rules and conditions for application are a lot

easier to understand and to follow)

The authorities at all levels (ministry, city, district, ward/commune) and of different departments and sectors (culture and ideology, public security, food security, environment security, fire security...) will supervise the operation of the hubs and will come and check the hubs as well as the event when it occurs (with or without prior notice). Sometimes, authorities come & check the hubs in groups (fire, food, environment), sometimes in division (culture & ideology and public security), sometimes by level (ministry, city, district)

“The authorities in the cultural sectors still see culture belongs to the area of ideology. They do not see

culture as market products. That is why when hubs want to do events, the authorities become cautious, to them “event” means “a gathering of wild behaviours”. Because they are cautious, they’d rather stop the event from before it even starts”. Mr. Le Quoc Vinh, media expert, President of Vietnam Creative Entrepreneurs Club

Let’s look closely into the stories from the hubs. Since the hubs are divided into two types (type 1 & 2), some stories are more common to one type than another and vice versa.



# 1

## Event permit and censorship

Hubs - as network creators and connectors, organise a lot of events. Events are vital to the hubs. That is why event permit and censorship are among the most influential authority acts that could be as important as “oxygen” to the survival of creative hubs.

For example, if San Art - a contemporary art space in Ho Chi Minh city, a non-profit creative hub which relies 100% on grants, donations and occasional sales of

### Some figures:

- UP - a co-working space for startups host 37 events in 3 months.
- Hanoi Creative City: 2-3 events every week, some events gathering thousands of people.
- Ca phe thu 7: 6 events a week at 3 different locations in Hanoi and Ho Chi Minh city

artworks - is not allowed to do public events, it will become very difficult for San Art to get funding.

In fact, the permit process and the treatment of the authorities could be quite different from hub to hub or case to case, depending on different factors, for example: the hub’s type and area of business, the hub’s location (Hanoi or Ho Chi Minh city, district Hai Ba Trung, Hoan Kiem, district 1, 2 or 3...), the hub owners’ personal background, the

hub owner's relationship with the local government, and even the personal view of the people in charge at the government's offices.

Let's take a look at the points listed below:

# A

## The “foreign factor”

As Vietnam is very active in being part of the globalized world, there are more and more foreigners who visit, live and work in Vietnam. Foreigners are essential in creative hubs' activities since they bring investment, inspiration, knowledge and global identity to the local scene. However, from some hubs' experiences, foreigner's participation in events is considered a “sensitive issue” by the authorities.

San Art - a non-profit contemporary art organisation in early 2016 announced its decision to stop some of its key programmes because of permit issues related to “foreign attendance”.

*“Due to the increase in government scrutiny of San Art's programs - 3 exhibitions not able to receive a license and an artist talk given warning by the Cultural Police not to be hosted due to foreign attendance - ‘San Art Laboratory’ cannot continue under these difficult conditions at*

*this time.” - An open announcement from San Art launched in Feb 2016 about the discontinuation of San Art' artists in residency programme and art talk programme.*

*“I am confused. To me it doesn't work economically. They should let people to share. I don't think they know how important culture is to the economy, how much culture industry contributes to GDP of a country. Maybe they are scared of losing control...”*, Zoe Butt, executive director of San Art said.

According to Zoe Butt and Tra Nguyen (general manager of San Art), in many years of operation, almost all of the exhibition and activities of San Art were permitted. Only until recently, it seems the authorities changed their view on the activity of San Art and thus, created some “scrutiny” which led San Art to the decision to discontinue some of its major programmes.

With the limited condition of not being able to organise events at its location, and the decrease of funding, San Art cannot afford to run a physical location. By the end of 2016, San Art will have to move out of its current home.

San Art is located in Ho Chi Minh

City, a very vibrant and open city in term of economic development. The city wants to promote itself as a welcoming destination for tourists and foreign investors. However, from the case of San Art it seems the welcoming message is not always true.

*“It takes longer time to apply permit for an exhibition if there are foreign artists' involvement, I don't know why. For an art talk with foreign artist, it takes a month to get a permit. For an art talk with Vietnamese artists, it takes two weeks”*, Le Thien Bao (Art coordinator, Factory Contemporary Art Centre)

Earlier this year, Station 3A - a cluster of different creative businesses including an art gallery applied for permit for an exhibition of a foreign artist. The owner of Station 3A told the researcher the Culture, Sports and Tourism department of Ho Chi Minh City responded to her that because the exhibition involved “foreign factor”, they have to consult the City's People's Committee before making any decision. Station 3A waited for 3 weeks and still no response from the authority. Station 3A decided they could not wait any longer and they organised an “internal” event with the artist.





## **B** Too many visits from local authorities



Factory contemporary arts centre - a gallery, art cafe, bar and restaurant opened in April 2016 in Ho Chi Minh city located in Thao Dien ward, District 2 (Thao Dien is a fast developing residential area which attract a large number of residents of different nationalities) experienced some difficulties with the authorities.

Le Thien Bao, the art coordinator of the art space said within 4 months there were 5 unexpected visits from local authorities from the district/ward representing different departments: police, food safety, fire safety, etc. Bao could not understand why there were such visits, since the art space has all the authorised papers and conforms to all the rules. Bao told the researcher that the local authority people repeatedly asked her “irrelevant” questions for example “Who is the owner of this place, what does she/he do?”, while all the information about the art space had been submitted to the authorities already. Bao said if there were less visits from local authorities she would be happy because she could spend more time and energy focusing on improving the key activities of the art space.

*“In the last 2 years, we have a lot more visits from the authorities, about once a month. Culture police came to our events and out of the blue they asked random questions again and again: “What you are working on, what do you do, do you know this person? You must know him/her”. I don’t understand why they asked such questions. I already answered them. But they keep asking the same questions”,* Tra Nguyen, manager of San Art told the researcher.

Hanoi Creative City (HNCC) is a 20 storey building which provides space for creative Vietnamese businesses like cafes, restaurants, fashion, handmade jewelry, gym, co-working space, art galleries, music venue, etc... The hub is located at Hai Ba Trung district, and the district seems concerned about the hub’s activities. In fact, the same story happened: many sudden visits from the district authorities. HNCC’s founder finds the visits discouraging: *“To me it seems the district did not know, or even care about the social & cultural values of such a creative space in the city. They only concern about the gathering of people”,* said Ky Thanh, founder of HNCC

Other hubs have similar experiences with many visits/checks from authorities, of all levels (ministry, city, district, ward). To many hubs owners, the visits/checks are not helpful to the hubs.

# C

## It is not the law, it is the interpretation, and it can be subjective

### The view of the leaders

While Hai Ba Trung district seems “discouraging” about the existence of a HNCC - a cluster that could gather thousands of young people in one single event, the neighbouring district Hoan Kiem showed its interest in HNCC’s community building skills. Mr. Doan Ky Thanh - the founder of HNCC commented on different attitude of two districts:

*“Hai Ba Trung district government seems nervous and worried. Maybe they worry about the gathering of a crowd of intellectuals. Or they worry about the new movement, the new trend. They don’t understand it, and when they don’t understand, they just want it to stop. At the beginning when I took charge of HNCC building, the district authority visited us very often even though we did not do anything against the law. Hoan Kiem district government is different. They think public events are good for the benefit of people. They were proactive. They came to me and invited me to build*

*activities for their district. I think what make the difference is view of the leaders”.*

San Art told the researcher before the “scrutiny” and discontinuation of their programme, a woman who took charge of issuing permit in the Department of Culture, Sports and Tourism of Ho Chi Minh city was “quite friendly” and was interested in contemporary art. In the last two years, since the women was promoted and did not take charge of issuing permit any more, things became worse for San Art,

Musician Duong Thu, the founder of Ca phe thu 7 - a hub/cafe focusing on hosting talks/presentations about social/cultural topics - has been through some up-and-down experiences. In 2012, when Vietnam - China ‘sea dispute’ became intense, Ca phe thu 7 hosted a presentation of a Vietnamese historian under the topic Vietnam - China’ sea territory

*presented in maps over different periods of time. When the talk finished, the district police came in and aggressively questioned the owner of Ca phe thu 7 about some people who “sold” propoganda “nine-dash line” T-shirt at the cafe during the talk. Mr. Duong Thu was angry about the police’s aggressive attitude. He criticised the policeman for being “disrespectful”. “After that incident I got the punishment”, Mr. Duong Thu said. There were many visits from the authorities: environment check, noise check, etc. Finally, the district authority closed the cafe down (after 3 years in operation). The reason for the closing was “environmental”. After the closing, Mr. Duong Thu went and looked for another venue in another district, reopened the cafe, organised regular community talk/discussion events, and nothing happened since. The owner said: “Maybe it was only the “love-hate” issue.”.*



# D

## Permit process may take longer time

As stated by law, the application process for a fine art exhibition license/permit takes 7 working days once the application is received by the authorities. Within 7 days, the authorities have to reply to the applicant - in paper - whether the permit is issued or not and why (See link <http://www.bvhttdl.gov.vn/vn/cai-cach-hc/434/index.html>)

In reality, it may take 2-3 weeks, or longer to get a permit. And in some cases, the response from the authorities do not satisfy applicants

Hanoi Creative City (HNCC)'s founder Doan Ky Thanh said sometimes when HNCC applied permit for an event, it seems like a "no" from the authorities, but there was not any official paper/letter from the authorities to confirm the message. Usually, it is not clear what the message could be. Response from the authorities could happen like: "The person in charge is on a business trip and hasn't come back yet".

# 2

## Legal status v/s social status of creative hubs

Since creative hubs are new in Vietnam, there is no specific legal status for them. By law, all hubs are registered with a business license. Hubs are trying to sustain themselves while pursuing their creative community development goals. Many hubs struggle to complete both the enterprise missions and the community missions, and they usually have different titles to match with different roles depending on what context they are in. Under the tax system and enterprise law, they can be a "household business", "a limited company", or a "joint stock company", while among the community, they can promote themselves as a non-profit organisation, an education centre, a collective, a co-working space, or a "creative hub".

San Art is known publicly as a non-profit organisation in contemporary arts, and under the enterprise law it is an event company. Nha San Collective and Manzi - another two art spaces registered as household business and are known to the public as contemporary art spaces. Station 3A - a cluster of different creative businesses is known by law as a limited company. HNCC, also a cluster, registered as a real estate company.

Playing different roles is not very comfortable for hubs.

Firstly, hubs are all very small private enterprises. In the current context, they cannot compete with state owned companies when it comes to investment from the government.

(See link [http://www.business-in-asia.com/vietnam/sme\\_in\\_vietnam.html](http://www.business-in-asia.com/vietnam/sme_in_vietnam.html))

Secondly, hubs have to pay tax like any other type of enterprises, but hubs do not always aim at gaining profit, and since many hubs are new to the market, it is difficult to generate income from a limited number of customers/providers.

Nha San Collective - a non-profit hub relies 100% on funding is paying tax. And San Art is in the same situation.

San Art has been trying to become a social fund. For 3 years, the San Art team





has been applying for a license to establish a social fund but still no progress until now. The process of applying should take much less time, since it is stated clearly by law that once the authorities receive the application, within 60 days maximum the authorities have to reply to the applicant - in paper - whether the permit is issued or not and why (See link [http://moj.gov.vn/vbpq/lists/vn%20bn%20php%20lut/view\\_detail.aspx?itemid=13248](http://moj.gov.vn/vbpq/lists/vn%20bn%20php%20lut/view_detail.aspx?itemid=13248)).

Last year San Art was asked to submit some more papers to add into the application, and since then, still no reply/feedback from the authorities about the process.

The San Art team said the process of applying is very time consuming and annoying. They don't know what was wrong with the application and how to move things forward.

Thirdly, being titled as an enterprise sometimes limits what you can do. Hanoi Creative City founder, Mr. Doan Ky Thanh thinks the company's legal status is an obstacle, because "a real estate company" doesn't have the legal rights to organize events.



## The story of TPD movie centre

TPD is known to the public as Centre for Assistance and Development of Movie Talents and its active role in providing filmmaking skill training courses as well as promoting young independent filmmakers - an area that are not yet touched by the government. At the beginning (year 2002), TPD was a 100% funded development project co-founded by Ford Foundation and Vietnamese Association of Cinema. In 2009, the Ford Foundation closed the funding programme and TPD had no money left to run. To be able to keep the Centre running, TPD managers decided to establish a limited company in film service. One part of the company's income is set aside as a fund for community activities like free film classes, workshops, film screening events, field trips, knowledge exchanges with famous filmmakers, short film awards, engaging volunteers. However, as a company, TPD have to pay tax, and then it became more difficult to sustain both the business and the non-profit activities. TPD team want to be a social fund so that they can focus more on community activities.

# PART 3

## What hubs want from policy makers



### 1 Direct dialogue

Many hub owners told the researcher they like to have direct and open conversations with policy makers. They believe that only from direct dialogue mutual understanding will be built and the platform for practical and fair policies will be set.

Hub owners said “direct dialogues” means casual open meetings between hub owners and policy makers. Activities like “seminars/conferences” or “research/study/report” are too formal, unpractical and not “direct” enough.

*“Between TPD movie centre and the Cinema Department (Ministry of Culture, Sports and Tourism), the connection is all about film judging/censorship. The Department never talks to us about supporting young cinema or discusses with us how to encourage the development of young film makers” (Ngo Hoang Phuong, director of TPD movie center)*

“The government should establish closer connection with the community before making any decisions. At the moment, the connection is not very strong. Some policies (for example the one about maximizing private sector’s involvement in public responsibilities (xã hội hóa)) is not very effective and realistic. (Since 2004, the government issued incentives in “Private sector involvement in Education, Vocational training, Health care, Culture, Sports and Environment” ([http://moj.gov.vn/vbpq/lists/vn%20bn%20php%20lut/view\\_detail.aspx?itemid=24639](http://moj.gov.vn/vbpq/lists/vn%20bn%20php%20lut/view_detail.aspx?itemid=24639) - Decree 69 - 2008 ND-CP) and “Enterprise Law 2014”). The government should be more practical and should not organise too many seminars or do too many researches. What the government should do is to sit down and have direct, informal dialogue with smaller group of creative people and find out how they are running their business and what they think. It is like “in-depth’ conversations. Studies and reports can gather facts in a larger scale, but cannot show the sentiments of the community.” Do Son Duong, founder and director of TOONG - a well-designed co-working space which aims at encouraging creativity and networking among businesses.



## 2 Tax incentives and breaks

“The government should provide practical support. Big slogans are not enough, tax incentives are more practical and that is what the government should do.”

(Nam Do, founder of UP co-working space)

TPD in their daily operation have to pay 4 different kind of tax: Enterprise income tax: 20%, Value added tax: 10%, Personal income tax and Business License tax. On top of paying tax, TPD have to pay “film judging/film censor fee” if they want to introduce a new film to the public. The fee for judging a short film is about 50 US dollars /film. In a year, on average, TPD introduces about 20-30 new short films to the public, which means they have to pay about 1000 -1500 US dollars of film judging fee. TPD expressed that paying tax and fee is too much. TPD would



rather spend the money on non-profit projects which offer skills and opportunities for young film makers for free.

Before Hanoi Creative City (HNCC) was founded, the location was just “another residential building in the city”. The building stayed empty for 7 years until “Hanoi Creative City” moved in and turn it into a lively location. Since the opening (in 2015), it soon became a new destination of many young people in Hanoi. All 20 floors of the building are filled with shops and studios and offices. There are 2-3 events happen here every week, some events attracted a few thousand people. Mr. Doan Ky Thanh, founder of HNCC believes that HNCC deserves tax incentives. He clarified that Hanoi Creative City’s mission is to develop the community, not to run for profit.



# 3 Hubs as unique models of business

Many creative hubs owners said they prefer to be categorised as creative hubs - a distinctive model of business/organisation.

*“Compared to other type of businesses, a creative hub is different because it produces content and social values. We provide connection between creative workers and the creative users, and the connection with authorities. We provide free space for an art space, we engage the community with public events, we inspire thousands of people. It is not fair if we have to pay tax like other type of enterprises”, Ky Thanh, founder of Hanoi Creative City.*

*“Personally I think creative startup is different, it begins*

*and rises from the underground scene with very little money to start with. If it is for commercial purpose, then it is not creative startup. For example: a game company which produces the same games for many years is very different compared to a person who is trying to start with an idea. Creative startups are for people who are not yet successful...”, Nam Do, founder of UP co-working space*

*“There should be official legal status for art spaces so that they don’t have to “hide” themselves under the enterprise’s status. With the official status, art spaces will have their own ground when they communicate and interact with different partners like government offices, companies, organisations. Art spaces should not be enterprises because of their distinctive features. Art spaces bring spiritual values to the society, not the physical values. Art spaces could be NGOs or social funds. Tax for art spaces should be different, too. Tax can’t be as high as other types of business”, Nguyen Anh Tuan, manager of Heritage Space.*



# 4 Re-organise permit / censorship

*“How about no more applying for permit? The authority can come and check and if there is anything wrong they can give us a fine with clear and fair justifications”. (A hub owner)*

*“We want the authority to drop censorship. The procedure of getting permit is time consuming. Censorship leads to “self-censorship” which limits our own creativity. That is why some people would rather present/register their project/ideas/business outside Vietnam to avoid the hassle. (A hub owner)*

*“We have been talking about censorship. How about putting it in another way. How about no censorship? What would happen if you let people do what they can do? What is all the fear about?” (A hub owner)*

# 5

## A nurtured environment and a cross sector point of view

*"If the government thinks creative hubs should be "managed and controlled", then they should also look at creative hubs from another point of view. "Creative hubs" doesn't mean a group of writers and artists sitting down together. Creative hubs are nurturing spaces for creativity in all forms. Trying to put creative hubs under control is like: "you cut the plant short before it grows", which is against the motivation of creative hubs and the spirit of creativity.*

*What we are trying to do is to survive, to support ourselves and at the same time to promote creativity in the community by providing creative values to our customers. We can contribute to the eco-system of creativity, encourage the interaction among people, and help find solutions for business projects. However, it is impossible for us to do all that by ourselves, we need support from others.*

*From the government's perspective, maybe it is important to consider where to position creative hubs. It is not enough to put them in the "cultural and social sector" category, it should be seen as multi-dimensional area: economical in term of investment, educational (in term of encouraging creativity), interactional (in term of cross-sectors involvement). An eco-system for creative hubs could mean the recognition of different government ministries. For example: the Ministry of Education*

*could bring the creativity mindset into school curriculum, or Department of Intellectual Property could speed up the process of issuing certificates",* Duong Do - founder and director of TOONG co-working space

*"It is necessary to establish public - private partnership in order to develop cultural industries successfully. Cultural industries are not like other industries because its success and values cannot be measured the same way like other sectors. It is the kind of business that does not operate purely for profit, it helps inspire the other industries. Creative hubs need more time and initial support to grow. The government should not leave creative hubs alone. Government should support them by providing spaces (lending the space or applying cheap rent). Government authorities should not "visit" them too often. Tax incentives are also helpful. If tax is reduced, creative hubs can invest more in the industries. Many creative space are under danger without government support, for example Station 3A (in Ho Chi Minh city) is going to lose its location to a commercial building project. The government can also support creative industries by investing in infrastructure (internet, water and electric supply) for creative spaces, because infrastructure is costly".* Le Quoc Vinh, media expert, President of Vietnam Creative Entrepreneurs Club



# 6

## "It is all about humans"

*"At the moment change is driven by the private sector but it will take a long time if the government doesn't make any active movement. It is time to consider "censorship" or "the market". It is not about the system; it is about humans. The most important factor is human. Humans can create change in the system".* Dao Mai Trang - visual art researcher

*"To my experience, the high level leaders (government and ministries) are more understanding and open, while the local level leaders (district, commune) are more cautious. What we are trying to do is to use communication to change awareness of both the community and the authorities about us. With the authorities, we encourage their active support and make them realise that we are not "dangerous", in fact, we are bringing positive values to the society and the economy. We are trying to set more dialogues with the authorities using many different ways. It takes time to build the mutual understanding."* Ky Thanh, founder of HNCC

*"If the city's government can see how a creative location can improve the city's cultural values and the city's brand name in the local and international market, like a Paris's Montmartre, then will they act differently?"* Mai Do, founder of Station 3A

# PART 4

## Tips from creative hubs How to overcome the existing challenges

### 1 Active sharing

*“It is a process. I have been being active in social activities and trying to communicate via different channels including the press/media to share the message about creativity and community development. When I go to a seminar, for an example, I will try to lure government officers/ policy makers into a conversation and share with them my opinions. I always try to make my points relevant and interesting to them. You have to keep doing it and share your views with as many people as possible”,* Ky Thanh, founder of HNCC



### 2 Build “friendly” relationship with government leaders and local authorities

In November 2015, Hanoi Creative City and Vietnam Creative Entrepreneurs Club managed to invite the Chairman of the Vietnamese Fatherland Front, Mr. Nguyen Thien Nhan to visit a large exhibition about creative industries named Creative Show 2015 at HNCC building. According to online newspaper of the Government of Vietnam, the visit is an act of highlighting creativity among the young generations (<http://baochinhphu.vn/Tin-noi-bat/Nhan-rong-nhung-dien-hinh-sang-tao-trong-the-het-re/241950.vgp>).

The visit was historical, it was the first visit from a high ranking government leader to a private creative hub.

Definitely the visit helped secure the status of Hanoi Creative City politically and socially.

Nam Do, founder of UP co-working space is an active member of the startup community and start-up founders’ soccer team. Nam Do and the team played a friendly football game with the Deputy Prime Minister of Vietnam Vu Duc Dam. Thanks to the friendly relationship with the government leader, Nam Do

and the startup community had an opportunity to meet DPM Vu Duc Dam at a “friendly meeting” where direct feedback and opinions were openly expressed and exchanged. Nam Do said the meeting was the first of its kind when a group of startup people (which doesn’t belong to any authorised public associations) could meet the DPM in a casual manner. Nam Do was proud that the startup community could involve and contribute to the policy making process of the government in a direct way. He told the researcher that after the meeting with DPM (August 2015), the startup movement started to bloom very strongly in Vietnam.





<http://ictnews.vn/khoi-nghiep/pho-thu-tuong-vu-duc-dam-da-bong-giao-huu-cung-cong-dong-startup-129068.ict>

<http://kenh14.vn/xa-hoi/pho-thu-tuong-vu-duc-dam-dat-nuoc-can-giau-len-bang-nhung-cong-nghe-moi-20150812102745527.chn>

The story of Vietnam Silicon Valley (VSV) Project is another interesting example of how a private company could set a partnership with the government. The private partner of the project - ATV company - was founded in 2004 by Ms. Thach Le Anh as a consulting firm for private investors entering Vietnam. As the company grew, it started to become partners of governments and international organisations. By the nature of it ATV became partner of Vietnamese government in a number of development projects and gained trust and prestige among the government officials. Mr. Thach Le Anh said she is always keen on introducing new development ideas to Vietnam. After a visit to America's Silicon Valley, Thach Le Anh was inspired by its tremendous creative power. She started to draft VSV project and proposed it to the Ministry of Science and Technology. She said the trust between ATV company and government officials had set the foundation for the first public-private project in the Tech startup sector.

## 3 Live with “censorship”

Unlike a few creative hubs owners/managers who are quite furious about censorship, Mai Do - founder of Station 3A is relaxed about censorship and visits and any encounters with the authorities and police. She lets them do their job and answers their questions. She said she doesn't want to create any extra tension.

Musician Duong Thu, founder of Salon van hoa Ca Phe thu 7 after the closure of his first venue due to censorship issue he realised that he should be more “flexible” to be able to continue what he wants to do. He decided not to appeal or raise the voice in the public about the closing of his first venue. He went and looked for another venue and started again. *“At the beginning when the venue was opened, the police of the city invited me to have a conversation with them. I told them I understand they have their own duty and so do I. I told them they are welcomed to come and watch the activities, and if there is anything unclear, they are welcomed to talk to me directly so that both sides can understand each other...And gradually, there are no more visits. In August 2014, I went to Hanoi to open another venue”.*



# 4

## Use a positive message

Studio Anh Khanh is a private residence of artist Dao Anh Khanh which opens its door to performances, art and music events. Artist Anh Khanh is very successful in organising big events. Some of his events gathered over 10,000 people. As a former culture police himself, Anh Khanh has many years of experience dealing with permit process and censorship. He said it is important to explain the motivation of the event organiser and the event theme in the positive and accessible way so that the authorities can understand and appreciate.

After a number of events, studio Anh Khanh has become an attraction in the local community and among international friends.



## Conclusion of researcher

Creative hubs are growing fast in Vietnam and they are a dynamic and ever changing and evolving network. Roughly estimated (see the “Quick calculation at the end of this report), the creative hubs community could be as big as over 100,000 people who are directly and regularly involved, and it is still growing.

Even though the government of Vietnam and the Communist Party have recognised the role of cultural industries in the economy, the definition about cultural industries and its sectors is unclear.

The existing divided management system (sectors under different ministries), the control (censorship) over creative hubs’ activities, bureaucracy, and the lack of mutual understanding between local authorities and creative hubs are the key challenges.

According to feedback from creative hubs owners, there is still a gap between what is said and what should be done to fully explore and nurture the development of creative hubs in Vietnam.

To release all their full potential, creative hubs need the government’s support with very practical policies like tax incentives as well as consistent actions and decisions from authorities of all levels from central government to local government, from each leader and from each government staff who work on the field.

The system is made by humans, not by machine. It is about someone who decides to act promptly for the benefit of all and make changes when necessary. The deputy Prime Minister Vu Duc Dam played football with startup founders and invited them to have direct and open conversation with him about policy making, maybe it is possible to do a lot more.



# Last but not least A quick calculation How big is the creative hubs community on Facebook?

## Startup community: about 30,000 people

According to some creative hubs founder, the “core” startup community could be as many as 8000-10000 people and around them there are about 20,0000 supporters and people who are interested in startup activities.

For example: Launch - a closed group for startup founders and entrepreneurs in Vietnam has nearly 28,000 members

## Co-working space

**Dreamplex:** nearly 12,000 likes, 2,800 people have been there

**UP co-working space:** over 12,000 likes, nearly 1,500 people have been there

**Hatch!PROGRAMME:** 12,500 likes

**Vietnam Silicon Valley:** nearly 5000 likes

## Shared location of creative businesses

**Hanoi Creative City:** over 63,000 likes, nearly 22,000 people have been there

**Station 3A:** nearly 30,000 likes, over 18,000 people have been there

**X-98:** over 11,000 likes, nearly 7,000 visits

**The Yard Market:** over 32,000 likes

**Area 21 (Hải Phòng):** nearly 9,000 likes, over 6,500 visits

## Makerspace

**Fablab Saigon:** over 3500 likes

**Fablab Hanoi:** nearly 800 likes

On 10 August 2016, the researcher took a quick look on the internet to find out how big the community is by checking number of “likes” and “visits” on some Vietnamese creative hubs’ Facebook pages.

Please be aware that this quick estimation is a simple and inadequate calculation, and the list of Facebook’ pages below does not contain all Facebook pages of all creative hubs in Vietnam.

## Music venue

**Hanoi Rock City:** over 15,500 likes

**CAMA ATK:** nearly 4000 likes, over 1000 visits

## Art and culture hubs

**Heritage Space:** 16,100 likes, over 3,000 people have been there  
**Saigon Outcast:** nearly 26,000 likes, over 9,000 people have been there

**Factory contemporary arts centre:** over 3000 likes, 754 people have been there

**Manzi art space:** nearly 18,000 likes, over 3000 people have been there

**Hanoi Grapevine:** 17,500 likes

**Salon van hoa Ca phe thu 7:** nearly 7000 likes

**San Art:** 7000 likes

**TPD movie center:** 25,500 likes, over 4000 have been there

**Doclab:** over 5000 likes

**Nha San collective:** nearly 10,000 likes, over 1500 people have been there

**SOI house:** over 3000 followers, nearly 1000 friends

**New Space Art Foundation (Huế):** nearly 1500 likes

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## In total

# 350,000 likes over 80,000 visits

## Number of people involved

(estimated)

# over 100,000



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Image courtesy of creative hubs including Hanoi Creative City, Toong, Heritage Space, Centre for Assistance and Development of Movie Talents (TPD), UP Co-working Space, New Space Arts Foundation, Art Vietnam, Sàn Art, Dreamplex, and Fablab Saigon