



Social Enterprise UK

Supported by



The state of social enterprise in South East Asia

February 2021



Executive summary

- The British Council has worked with Social Enterprise UK, the United Nations Economic and Social Commission for Asia and the Pacific, and others to map the state of social enterprise over the past few years in **Hong Kong, China; Indonesia; Malaysia; the Philippines; Singapore; Thailand and Viet Nam.**



- This report aims to bring evidence together to provide comparisons between social enterprises operating in the South East Asian region and the **two regional centres of finance, Singapore and Hong Kong, China**, to highlight commonalities and differences, patterns and challenges. This study also considers the policy and support ecosystems for social enterprise in many countries, draws conclusions and makes recommendations based on the evidence.
- These studies draw on survey data from thousands of organisations across the region. Of course, each country and territory is different and the survey approaches were slightly different in every place, while definitions and understanding of social enterprise vary across the Asian region.

This research paints a picture of social enterprises in the region:

- Social enterprise has grown in popularity since the 1970s, but co-operatives go back decades and organisations with a commitment to a social purpose, which trade in markets and reinvest profits in their purpose, are not entirely a new phenomenon in South East Asia.
- Research led by the British Council around the world has included efforts to estimate the number of social enterprises in each country. It is challenging to calculate with confidence but the data suggests potentially up to a million social enterprises across the region.



- Across Asia, governments have been developing policies and strategies to support the development of social enterprise, including specialist units or offices, legislation, incentives, awards and more. In some countries, the support ecosystem – of policymakers, enablers and capacity builders, networks, platforms and facilitators, membership bodies, funders and financiers, and higher education – is relatively mature, while often dynamic, complex and growing.

- Social Enterprises are delivering impact locally and trading regionally and globally



- recognising themselves and identifying as social enterprises, while taking a wide variety of legal forms

- often young and small businesses



- often creating jobs for women more than other businesses more widely, often led by young people and relatively **much more likely to be led by women**

- Social Enterprises have diverse objectives and working for a wide range of beneficiaries but **often focused on working to improve a particular community**, often disadvantaged or marginalised by society, creating jobs, opportunities and accessible services for vulnerable people;



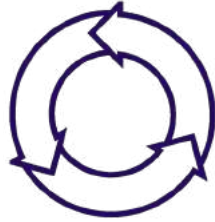
- **balancing** social and financial with the need to achieve financial stability, and taking steps to measure their social impact



- working across all sectors of the economy, from:

AGRICULTURE
ARTS
CULTURE
HERITAGE

EDUCATION
FOOD
HEALTH &
MANUFACTURING



- attracting grants and investment from a diverse range of sources
- making a profit, breaking even and making a loss, like all other businesses
- **creating jobs**, often faster than other businesses, often **optimistic and have plans to grow**



- facing a number of barriers when seeking to access finance and more widely, including staff and talent



- significantly affected by the Covid-19 crisis, with many reducing their activity and making them more pessimistic about future growth.



About British Council



The British Council is the United Kingdom's international organisation for cultural relations and educational opportunities. The British Council's cultural relations approach to development encourages work with people and communities closest to local contexts, fosters partnerships and relationships building on equal terms, and promotes trust and understanding for social cohesion and inclusive growth worldwide. It also recognises the transformative power of arts and culture in contributing to more inclusive and creative economies and societies for sustainable development.

About ESCAP



The Economic and Social Commission for Asia and the Pacific (ESCAP) serves as the United Nations' regional hub promoting cooperation among countries to achieve inclusive and sustainable development. The largest regional intergovernmental platform with 53 Member States and 9 associate members, ESCAP has emerged as a strong regional think-tank offering countries sound analytical products that shed insight into the evolving economic, social and environmental dynamics of the region. The Commission's strategic focus is to deliver on the 2030 Agenda for Sustainable Development, which is reinforced and deepened by promoting regional cooperation and integration to advance responses to shared vulnerabilities, connectivity, financial cooperation and market integration. ESCAP's research and analysis coupled with its policy advisory services, capacity building and technical assistance to governments aims to support countries' sustainable and inclusive development ambitions.

About Social Enterprise UK



Social Enterprise UK is the biggest network of social enterprises in the UK and a leading global authority on social enterprise. Our membership is a network that includes all the leading lights of the UK social enterprise movement from multimillion-pound healthcare and public service providers to community organisations and retail businesses. We are the membership body for social enterprise.

Acknowledgements

The state of social enterprise reports are part of a series of surveys undertaken by the British Council and partners around the world. This comparison report would not have been possible without the contributions of our research partners in seven territories in Asia – it is the culmination of deep partnerships over more than five years. We would like to thank the following partners for their help and support:

- **ELEVATE**, Social Enterprise Summit (SES), HKCSS – Social Enterprise Business Centre (SEBC), General Chamber of Social Enterprises (GCSE) and Dream Impact, Hong Kong, China
- **Platform Usaha Sosial**, Indonesia
- **Tandemic**, Malaysia
- The Philippine Social Enterprise Network (**PhiSEN**), the Philippines
- **Soristic** and **raiSE**, Singapore
- Thailand Development Research Institute (**TDRI**) and **Social Enterprise Thailand**, Thailand
- The Central Institute for Economic Management (**CIEM**), Viet Nam
- United Nations Economic and Social Commission for Asia and the Pacific (**ESCAP**)
- **HSBC**



Jasberry is a social enterprise that solves the problem of farmer poverty through innovative organic products with global appeal, starting with Jasberry* rice, (www.jasberry.net)

Partnerships



ELEVATE is the leading business risk and sustainability solutions provider. They deliver improved organizational performance through sustainability and supply chain assessment, consulting, program management and analytics.

ELEVATE believes in sustainable, balanced and inclusive economic growth. They see an economic model that collectively activates business and other stakeholders to improve people's lives and preserve the planet. This requires a commitment to transparency, visibility and the thoughtful management of risk and performance. It requires a commitment to business driven sustainability.



Platform Usaha Sosial (PLUS) is a sustainable social enterprise that focuses on supporting the growth of social entrepreneurs in Indonesia by providing pro-bono consulting work, free learning curriculums and ecosystem building. PLUS's works include entrepreneurship development, community development and ecosystem development projects.



Tandemic is a trusted partner for businesses, governments, and social organisations looking to be more effective in a changing world. Our teams in Singapore, Malaysia, Thailand, and the Philippines have trained over 6,000 people, helped organisations transform the way they work, and designed innovations ranging from new ways of preventing diabetes to AI-powered approaches to construction management. Our work spans the banking, insurance, telecommunications, energy, and logistics industries. We bring to the table deep expertise in a proven methodology rooted in design thinking that helps people work in new ways.



Soristic Impact Collective is a social impact consultancy which undertakes evaluation and impact assessment; research and consulting; capacity building as well as philanthropy and corporate social responsibility advisory services. Soristic Impact Collective works on regional projects from its base in Singapore.



Singapore Centre for Social Enterprise, raiSE Ltd is an ecosystem builder and membership body for aspiring social entrepreneurs, existing social enterprises and other stakeholders in the social enterprise space in Singapore. As an intermediary set up to support the development of social enterprises in Singapore, raiSE seeds and nurtures new social enterprises by providing advisory services, programmes, training and resources. raiSE enables existing social enterprises to grow and become sustainable by providing financing options, capacity building and mentorship. raiSE seeks to connect with social enterprises and intermediary bodies in the region and share best practices with each other. raiSE also advocates for corporations to explore new and innovative ways to contribute to the development of the social enterprise sector.



Thai Development Research Institute (The TDRI) began as a public policy research institute in 1984. Its legal form is that of a private non-profit foundation. It provides technical analysis (mostly but not entirely in economic areas) to various public agencies to help formulate policies to support long-term economic and social development in Thailand. In line with this central objective, it is mandated to: conduct policy research; network extensively with other institutions and individuals engaged in policy research, both in Thailand and abroad; and disseminate its research results to ensure maximum impact on policymaking.



Social Enterprise Thailand Association is a membership-based organization, aiming to strengthen the collaboration among its members and between its members and other organizations with the goal of supporting its member social enterprises in growing their businesses while enhancing the impact they create.



The Central Institute for Economic Management (CIEM) was established in 1978 as the Central Party's Economic Management Research Institute. For 40 years, CIEM has been contributed directly and indirectly to and promoted the process of innovation and comprehensive reform of the economy. It has also helped to develop a contingent of senior economic management officials of the Party and the State. CIEM has been a leading research agency in Viet Nam for economic research and policy advice on innovation and economic development. The institute focuses on the strategic and practical issues of reform and development of the Vietnamese economy. In 2012, it was rated as one of the world's top 80 policy research institutes in the field of national economic policy (according to 2013 Global Go-To-Think-Tank Index). With its contributions, the Central Institute for Economic Management has been recognised by the Party and the State and has received awards such as the First-class Independence Medal (2013), the Second-class Medal Independence (2008) and the First-class Labor Medal (2003), and other noble awards such as the Emulation Flag of the Government, the Merit of the Prime Minister, and the Merit of the Minister of Planning and Head Investment. In 2017, the Central Institute for Economic Management was honoured to be one of 12 national teams with outstanding achievements in the cause of national renovation recognised at Viet Nam



About **The United Nations Economic and Social Commission for Asia and The Pacific (United Nations ESCAP)**

The Economic and Social Commission for Asia and the Pacific (ESCAP) serves as the United Nations' regional hub promoting cooperation among member states in the Asia-Pacific region towards inclusive and sustainable development. The largest regional intergovernmental platform with 53 Member States and nine associate members, ESCAP is a strong regional think tank offering countries sound analytical products and insight into the evolving economic, social and environmental dynamics of the region.

The Commission's strategic focus is to deliver on the 2030 Agenda for Sustainable Development, which it does by reinforcing and deepening regional co-operation and integration to advance connectivity, financial co-operation and market integration. Research and analysis coupled with ESCAP policy advisory services, capacity building and technical assistance to governments support its members' sustainable and inclusive development ambitions.



KEMENTERIAN PEMBANGUNAN
USAHAWAN DAN KOPERASI
MINISTRY OF ENTREPRENEUR DEVELOPMENT AND COOPERATIVES

YAYASAN
HASANAH

 A foundation of Khazanah Nasional



Kementerian PPN/
Bappenas



社企民間高峰會
Social Enterprise Summit

Description of Ministry of Entrepreneur Development and Cooperatives (MEDAC)

Ministry of Entrepreneur Development and Cooperatives (MEDAC) was re-established in 2018 to spearhead the development of SMEs and cooperatives in Malaysia. In 2019, the Ministry launched the National Entrepreneurship Policy 2030 (NEP2030), a long-term strategic document that sets the direction of the country towards an outstanding entrepreneurial nation by 2030. Under Strategic Thrust 3 of NEP2030 “Stimulating Holistic and Integrated Entrepreneurship Development”, social entrepreneurship and cooperatives are identified as ‘the’ platform that will move forward the nation’s inclusive socio-economic development agenda. To further advance the development of this sector, MEDAC is currently developing the Social Entrepreneurship Blueprint 2021-2025 that will provide a five-year strategic direction to unleash the social and environmental impact and stimulate economic growth through social entrepreneurship.

Yayasan Hasanah (Hasanah) is the impact-based foundation of Khazanah Nasional Berhad (“Khazanah”), the sovereign wealth fund of Malaysia. Hasanah was set up as an independent entity on 1 July 2015, building on nine years of Corporate Responsibility (CR) efforts previously driven by Khazanah. As a grant-giving organisation, Hasanah goes beyond ringgit and sen to facilitate an ecosystem of transformation, working in collaboration with multiple stakeholders, infusing a spirit of advocacy and building capacity in five key focus areas: Education; Community Development; Environment; Arts and Public Spaces; and Knowledge. Collectively and collaboratively, Hasanah hopes to shift the needle of social and community reform for Malaysians, towards a better Malaysia. For further information, please visit www.yayasanhasanah.org

About the Ministry of National Development Planning/National Development Planning Agency (Bappenas RI)

Bappenas RI is a national ministry/agency and think tank directly reporting to the President of the Republic of Indonesia that performs governmental roles in policy formulation and decision making on national development planning, budgeting and the supervision and evaluation of its implementation. It is also tasked and engaged in large scale national and priority issues assigned by the President. Bappenas RI administers as well the strengthening of the national planning capacity to generate innovative and creative development funding mechanism. Furthermore, it ensures an all-inclusive participatory planning process through collaborations with universities, professional associations, NGOs and the civil society. Through its coordinating capacity, Bappenas RI additionally provides sectoral, cross-sectoral and cross-regional directives besides macro-economic framework at national and regional levels, infrastructure main design and regulatory, institutional and funding frameworks.

Social Enterprise Summit

Social Enterprise Summit (SES) is an annual series of non-profit events and programmes in Hong Kong, China. It has become a major cross-sector platform among the civic sector, businesses, academia and government in the region to advance social entrepreneurship and social innovation for positive social changes.

Since its inception in 2008, SES has become a highly-acclaimed annual event attracting some 3,000 to 4,600+ participation every year from Hong Kong, mainland China and the Asia Pacific region.

An array of community activities is held in different districts in Hong Kong, China during the year to expand the participation and reach beyond the conference rooms, applying the knowledge; social entrepreneurship and innovative mindsets to various day to day life settings.



Dream Impact

Dream Impact offers event spaces and co-working space for social entrepreneurs, NGOs and start-ups as well as expand the social entrepreneur ecosystem by connecting start-ups to investors and corporations.



Hong Kong General Chamber of Social Enterprise (GCSE)

Founded in 2009, the Hong Kong, China General Chamber of Social Enterprise is a membership organisation that aims to strengthen partnerships between enterprises, government and academia and increase public awareness.



Social Enterprise Business Centre (SEBC)

The Social Enterprise Business Centre strives to increase social entrepreneurship through business consultation services and programmes to improve public awareness. Their directory tracks and documents social enterprises in Hong Kong, China. SEBC partners with twelve corporations who are willing to provide business support to social enterprises often at discounted prices or for free.



In 2017, we conducted a survey of social enterprise sector in the Philippines and published 'The State of Social Enterprise in Philippines' report in partnership with The Philippine Social enterprise Network or **PhiSEN**.



Edible Garden City champions the grow-your-own-food movement by partnering with hotels and restaurants to grow rooftop food gardens. They also offer therapeutic horticulture programmes to engage the ageing population in Singapore in gardening while improving their physical, mental and emotional well-being.

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Foreword

In February 2017, the British Council and United Nations ESCAP joined forces in efforts to accelerate the growth of social enterprise and impact investment in the Asia-Pacific region. Through conducting evidence-based policy analysis, convening policy dialogue and working directly with governments across the region, the partnership has made significant progress in building an enabling environment that encourages impact driven enterprise to flourish.

The publication of the State of Social Enterprise in South-East Asia is the culmination of almost five years of research in seven countries and territories in South-East Asia. The study includes the two most important centres of finance and commerce in Asia, namely Singapore as well as Hong Kong, China. It is one of the largest surveys of its kind ever conducted, with well over 1000 organisations surveyed, and represents the voices of social enterprises.

External events, most notably the onset of Covid-19 in 2020, may have offset many of the gains made by social enterprises in recent years, but this should not distract from the enormous impact they have collectively achieved and, perhaps more importantly, the hope and optimism that they offer in building an economy fit for the future.

Businesses which trade in order to achieve a social or environmental impact provide us with a potential way out of the multiple crises that are faced in the region, and we tentatively estimate that there could be as many as one million social enterprises operating across South-East Asia demonstrating that social enterprises are far from a marginal part of the regional economy.

British Council organised a UK study visit in 2015 for a delegation of Malaysian ministries, government agencies and funders to gain a better understanding of UK policy and practice, the drivers and benefits to the economy and society.



Building inclusive communities

This number, however, only tells us part of the story, our research reveals that social enterprises are delivering impact for some of the most vulnerable populations in the region either through providing employment opportunities or by delivering essential services that would otherwise be inaccessible to these groups, highlighting the critical role these businesses play in responding to the gaps in state provision of public services and offering affordable alternatives to private provision.

Young people and women leading the way

Social enterprises are led for the most part by young people, with the majority of social enterprise leaders under the age of 44. In Indonesia almost a quarter are led by people under the age of 24. This points to the changing priorities of current and future generations. In addition, social enterprises are increasingly led by women, with more than half of all social enterprises led by a woman in Singapore and Malaysia and more than 35 per cent in all geographies surveyed. This is significantly higher than is typically found amongst SMEs more broadly.

Creativity and innovation

Social enterprises are found to be operating in all parts of the economy, from traditional sectors such as education, health and agriculture to new sectors such as clean energy and sustainable materials. Creativity and innovation are important characteristics of many social enterprises, so it is not surprising that a significant number of social enterprises consider themselves to be operating within the arts and creative industries, including one in five of all social enterprises in Indonesia.

KOTO is a social enterprise empowering at-risk and disadvantaged youth in Viet Nam by providing hospitality and catering training programmes.



Building an enabling environment

Social enterprises often intentionally aim to trade in the most challenging of markets and attempt to employ some of the most marginalised populations. They are also tackling some of the most entrenched social and environmental challenges. It is therefore unsurprising that they also face some major challenges around growth and scale.

However, since 2017 concerted efforts have been made to strengthen the support that is on offer to assist social enterprises to grow their impact, with an explosion of incubators, capacity builders, networks and, increasingly, the emergence of new and innovative funding and finance mechanisms too. Governments across the region are also taking note and introducing new policies and laws. The new social enterprise law in Thailand, for example, is quite possibly one of the most comprehensive anywhere in the world, and all countries and territories surveyed have seen government intervention to support social enterprises in recent years.

Like all businesses, social enterprises have been badly affected by Covid-19. However, they remain optimistic and have not only demonstrated resilience in the face of the pandemic, they have often been central to relief efforts, by adapting their business models and providing essential services to communities hit hardest by the crisis.

Over the past five years we have been inspired by the many inspiring examples of social entrepreneurs in South-East Asia. This report provides a snapshot of their impact and potential.

This report would not have been possible without the collaborative efforts of numerous partners across the region, as well as the contributions by our overall research partner for the project, Social Enterprise UK.

We hope that this report will act as a baseline and provide the basis for more targeted policies and strategies. We also hope that it will serve as the foundation for future research into the potential role that social enterprises in South-East Asia can play in building the Impact Economy.

Jonathan Tsuen Yip Wong

Chief of Technology and Innovation
Trade, Investment and Innovation Division
United Nations Economic and Social Commission for
Asia and the Pacific

Tristan Ace

Global Lead, Partnerships and Development, Social
Enterprise and Creative and Inclusive Economies,
British Council

Philippine-based community and civil society leaders gathered in Cagayan de Oro for the Active Citizens Social Enterprise Facilitator Development Workshop under CSO-SEED. The EU-funded programme in the Bangsamoro region sought to improve civil society participation in policy reforms to aid in the development of an environment conducive to decent work, job creation and small and medium enterprises development through social enterprises.



Methodology

Purpose

The main purpose of this study is to provide insight into the social enterprise landscape in seven countries and territories in and around the South East Asian region.

This report aims to compare social enterprises operating in diverse settings, to highlight commonalities and differences, patterns and challenges. This study also considers the policy and support ecosystems for social enterprise in many countries, draws conclusions and makes recommendations based on the evidence.

This work builds on past research, undertaken by Social Enterprise UK and research partners:

- ELEVATE, Social Enterprise Summit (SES), HKCSS – Social Enterprise Business Centre (SEBC), General Chamber of Social Enterprises (GCSE) and Dream Impact, Hong Kong, China
- Platform Usaha Sosial, Indonesia
- Tandemic, Malaysia
- The Philippine Social Enterprise Network (PhilSEN), the Philippines
- Soristic and raISE, Singapore
- Thailand Development Research Institute and Social Enterprise Thailand, Thailand
- The Central Institute for Economic Management (CIEM), Viet Nam

United Nations ESCAP and HSBC also supported this work. We hope these insights will provide guidance for future interventions to further support the development of social enterprises around the world.

While this study is not exhaustive and has limitations, we believe it offers an important contribution to the discussion on social enterprise. We hope that other actors will benefit from this study and build upon these findings. Any comments on this report are welcome.

Countries and territories

The countries and territories covered in this research are seven contexts in which the British Council has worked with Social Enterprise UK and others to map the state of social enterprise over the past few years. These are:

- Hong Kong, China
- Indonesia
- Malaysia
- the Philippines
- Singapore
- Thailand
- Viet Nam

These studies were conducted between 2017 and 2020. Together they draw on survey data from thousands of organisations across the region. These surveys were undertaken through a mix of methods, including online, by telephone and face-to-face.



The Data

We have brought the data together for the purposes of this study. Of course, each geography is different and the survey approaches were slightly different in every place, tailored to the context. This means that some questions are not directly comparable. Furthermore, some fieldwork was carried out nearly five years apart. Not every question was asked in each territory. There may also be inconsistencies between the data presented here and that in individual reports as a result of human errors or inconsistencies. This report cannot, therefore, claim to provide an accurate comparison of the state of social enterprise across the region but rather can give a flavour and insight into trends across diverse contexts.

Survey scope

The primary data about social enterprises captured in this research include:

- age and gender of leadership
- year of establishment
- geographical area of activities
- legal registration
- area of focus
- social/environmental impact
- employees, by gender
- beneficiaries
- revenue and profit
- profit allocation
- growth plans
- barriers to growth
- financial sources
- financial constraints.

Sampling approach

The sampling approach in each country and territory was non-randomised. To attract a significant number of respondents in each country and territory, and to adopt an inclusive approach, the surveys commonly aimed to reach as many organisations or businesses as possible that could be potentially recognised as a social enterprise or which would self-identify as a social enterprise. Defining criteria were then developed with stakeholders in each context to use as a basis for filtering these respondents once they had completed the surveys, and considering them as social enterprises, or otherwise, for the purpose of the research. In some countries and territories, survey respondents were given incentives to encourage participation.

The surveys were disseminated publicly through a range of routes, including mailing lists of support organisations, networks, trade bodies, funders and intermediaries, universities, as well as via social media, events and word of mouth, universities and social enterprise supporters.

Besides the survey, many reports also included findings from workshops, interviews and/or focus group discussions with a number of social enterprises and other stakeholders, to gather further insights on opportunities and gaps in the social enterprise ecosystem.



Inaul is Maguindanao's traditional woven cloth, the tradition of which the Al Jamelah Weaving Center in Cotabato City is keeping alive..

Defining social enterprise

Definitions of social enterprise vary around the world and are rarely formalised. There is no, single, global definition and this is equally true across the South East Asian region.

While definitions vary, in an increasing number of countries and territories, social enterprises are most commonly understood to exhibit the following common characteristics:

- independent of government
- primarily earn income through trading, selling goods or services
- an enshrined primary social or environmental mission
- principally directing surpluses towards that mission

The Asia Development Bank (ADB) describe social enterprises as 'self-sustaining businesses that address social or environmental concerns, and provide jobs, goods, and services to the disadvantaged.'¹ Yet conceptions of social enterprise can vary and not only according to cultural, linguistic and ideological conditions. For example, another ADB report² describes social enterprises as businesses that are not commercially viable and rather reliant on grants. This stands in contrast to many others' conceptions of social enterprises as viable, commercially trading businesses.

In any case, social enterprise is a relatively well-recognised term in South East Asia, compared to some other parts of the world. Yet other terms have also gained some currency in recent years, such as the idea of 'inclusive business', which can overlap and share common characteristics with social enterprise. While the Asian Venture Philanthropy Network (AVPN) points out that 'inclusive business is a novel concept in Asia',³ ESCAP describes⁴ inclusive businesses as those that provide goods, services and livelihoods to people living at the base of the economic pyramid; and engage them at scale as suppliers, distributors, retailers or consumers, based on the Group of Twenty Inclusive Business Framework.⁵ More recently, others have started to talk about the 'impact economy', while the International Labour Organization (ILO) has led research into the 'social and solidarity economy' in Asia.⁶

¹ www.adb.org/themes/social-development/inclusive-business/social-enterprises

² www.adb.org/sites/default/files/publication/431106/inclusive-business-asia-pacific-economic-cooperation.pdf

³ avpn.asia/blog/6-hotspots-for-social-impact-in-asia-key-trends-and-players

⁴ www.unescap.org/sites/default/files/IB%20in%20Southeast%20Asia_v.02_A4_Digital_0.pdf

⁵ www.adb.org/sites/default/files/publication/431106/inclusive-business-asia-pacific-economic-cooperation.pdf

⁶ www.ilo.org/wcmsp5/groups/public/---dgreports/---exrel/documents/publication/wcms_366029.pdf

Meanwhile, Oxfam has described ⁷ how 'shared value strategies' in the Association of Southeast Asian Nations (ASEAN) aim to identify areas where business and society can benefit each other. These are overlapping and contested ideas and concepts.

Therefore, it was important that the research responded to the local context. In each location, based on discussions with stakeholders and existing literature, any relevant government policy or defining criteria adopted by membership or representative bodies, research teams settled upon an inclusive set of criteria for a social enterprise that was deemed appropriate for the context. These approaches varied from place to place. Questions were included in the surveys to enable researchers to identify organisations that could be treated as social enterprises for the purposes of the research.

Fundamental inclusion criteria which were considered or adopted in the research included:

- independence of government
- proportion of income earned through trading vs. through grants
- commitment to social or environmental mission
- distribution of profits
- democratic governance
- demonstrable impact
- innovation

The majority of countries and territories shared three inclusion criteria, based around:

- proportion of income earned through trading vs. through grants
- commitment to social or environmental mission vs. profit generation
- distribution of profits

⁷ [oi-files-cng-prod.s3.amazonaws.com/asia.oxfam.org/s3fs-public/file_attachments/Shaping-Inclusive-Growth-in-Southeast-Asia-Full-Report.pdf](https://s3.amazonaws.com/asia.oxfam.org/s3fs-public/file_attachments/Shaping-Inclusive-Growth-in-Southeast-Asia-Full-Report.pdf)

The diversity and history of social enterprise

Not all businesses or organisations that meet the criteria identified above are new. Whether identifying as social enterprises or otherwise, organisations with a commitment to a social purpose, which trade in markets and reinvest profits in their purpose have existed for millennia.

Some academics and entrepreneurs started talking explicitly about social enterprise in those terms in the 1970s, and Ashoka launched in the 1980s. Much earlier, the Rochdale co-operators of 1844 are often identified alongside Robert Owen at New Lanark, the earliest pioneers. Co-operatives appeared in Greece around the 18th century. Workhouses since 1600, medieval monasteries sold goods and reinvested profits in their mission, and guilds existed in the middle ages and even in Roman times. Guilds date back centuries in China and academics have described the typical traditional East Asian village as ‘a community which mobilises collective actions to supply essential public goods.’⁸

In 2017, ESCAP committed⁹ Member States to “facilitate the sharing of best practices and capacity-building across member countries through the development of social enterprise, impact investment markets...” and in the same year, the British Council agreed an MoU with ESCAP, which was an important milestone in the development of social enterprise research and policy in the region. While the ASEAN Conferences on Social Entrepreneurship in 2016 in Singapore and in 2019 in Thailand were also important recent milestones, the Social Enterprise Summit (SES) was launched in 2008 in Hong Kong, China. Co-operatives in Indonesia and the Philippines¹⁰ date back to just after the Second World War, and the first co-operative was established in Hong Kong, China in 1938, in Viet Nam in 1927, and in Thailand¹¹ in 1916. In Malaysia, the Federated Malay States Council passed the Co-operative Societies Enactment in 1922. It’s clear that social enterprise is not a recent phenomenon in South East Asia.

Wall of Memories showcasing the product of social enterprises in Viet Nam at the BuySocial Fair in 2019



⁸ scholar.harvard.edu/files/dell/files/170101master.pdf

⁹ www.unescap.org/sites/default/files/publications/SDGs-Regional-Roadmap.pdf

¹⁰ archive.org/stream/CooperativeMovementInAsiaAndAfrica/Cooperative%20Movement%20in%20Asia%20and%20Africa_djvu.txt

¹¹ icaap.coop/ICANew/President/assets/Cooperatives%20in%20Thailand.pdf

Scale of social enterprise

Research supported by the British Council around the world has included efforts to estimate the number of social enterprises in each country or territory. It is challenging to calculate the number of social enterprises almost anywhere, since there is no legal status for social enterprises and a lack of relevant data.

Estimates have commonly been based on an approach that considers how many social enterprises are registered as companies, some as non-governmental organisations (NGOs) or non-profit organisations and some as co-operatives. By establishing a prevalence rate for the proportion of social enterprise which make up each of these wider groups, and by applying that the total number of companies, NGOs or co-operatives in each country or territory, a rough estimate can be made.

These estimates are based not on statistically robust samples, but speculative extrapolation. To form this estimate, we examined organisations that met social enterprise characteristics within the NGO, co-operative and micro, small and medium-sized enterprise communities.

Research to date is set out in the table below. Where an estimate was provided in the form of a range, we have taken the figure below the mid-point in the range.

Estimated no. of social enterprises	Country/ Territory	Population (approx.)
4,000	Hong Kong, China	7 million
342,000	Indonesia	260 million
20,749	Malaysia	30 million
164,473	the Philippines	100 million
6,000	Singapore	5 million
115,000	Thailand	70 million
N/A	Viet Nam	95 million

This data suggests the presence of over half a million and maybe up to a million social enterprises across the region. This is far from being statistically robust, hence it should not be interpreted as an accurate estimate but merely the basis for further research

Existing research

In many countries and territories, there has been relatively little research on social enterprise and where there has, the British Council has played an important role. In others, there has been some research, but it's patchy. A few countries (such as Singapore and Malaysia and Hong Kong, China) have undertaken similar research previously.

More recently, there seems to have been a noticeable increase in academic interest in relation to social entrepreneurs and social enterprises. Research across all these contexts tends to focus on:

- Social enterprise definitions and typologies
- Barriers and challenges, particularly related to scale
- Sectoral studies, such as the role of social enterprise in farming or healthcare
- The broader enterprise landscape, with a scope which takes in small and medium-sized enterprises (SMEs) more widely, or research is focused on organisations related to or part of social enterprise landscape but not explicitly through a social enterprise lens, e.g. NGOs, co-operatives, microfinance or youth entrepreneurship
- Impact at an organisational level, rather than at a sectoral or national scale



Local Alike is a travel company that offers a wide range of community-based tourism and responsible tourism experiences, contributing to the preservation of environment, culture, and local ways of life.

Policy and support ecosystems

Government policy

Around the world, many governments have been developing policies and strategies to support the development of social enterprise over the last decade and more. Various governments have explored a range of approaches, from funds and programmes of support to fiscal measures and awareness-raising, as well as adjustments to the law, education curricula or procurement regimes.

The UK has done much to support social enterprise through policy, while the British Council has worked to share learning around the world. Social Enterprise: A Strategy for Success in 2002 was the first formal government strategy explicitly aimed at supporting social enterprises, and international strategies followed from both the UK and Scottish governments.¹²

The ADB describes how in developed Asia-Pacific Economic Cooperation economies, governments support social enterprises 'because they deliver social welfare services more efficiently, drive social innovation, and provide solutions to move these communities sustainably out of social welfare services. Hence, governments have developed comprehensive domestic ecosystems for social enterprises that provide access to funding, technical assistance, and other public sector support structures.'¹³

The British Council research has explored the development of the policy environment including in these seven territories. In 2017, a partnership between the British Council and ESCAP set out to bring social enterprise from the margins to the mainstream across the region. In 2020, Asia-Pacific countries accepted a challenge set out by ESCAP to lead the promotion of inclusive business, social enterprise and impact investment with 62 member and associate Member States renewing their commitment to knowledge-sharing between policymakers and to support the building of the evidence base in the region on this agenda.¹⁴ Some notable developments include, for instance:

- The government in Indonesia recognising the important role of government in helping to build and nurture the social entrepreneurship ecosystem
- The Malaysian government playing an active role in recognising and promoting social entrepreneurship with the launch of the Malaysian Global Innovation & Creativity Centre (MaGIC) in 2014 and the Malaysian Social Enterprise Blueprint 2015–2018 (MSEB), released in 2015
- In the Philippines, legislation has been proposed in the House of Representatives to support social enterprise
- Recognition of the term social enterprise as a distinct type of organisation in Viet Nam's Enterprise Law in 2015, which promised favourable conditions for organisations and individuals to set up social enterprises, including investment incentives and access to foreign non-governmental aid

¹² [The UK Government published an international Social Investment strategy in 2016 - www.gov.uk/government/publications/social-investment-uk-as-a-global-hub-international-strategy-2016](https://www.gov.uk/government/publications/social-investment-uk-as-a-global-hub-international-strategy-2016) - and the Scottish Government published an international strategy in the same year - <https://www.gov.scot/publications/scotlands-social-enterprise-strategy-2016-2026/pages/5/>

¹³ www.adb.org/publications/inclusive-business-apec

¹⁴ www.pioneerspost.com/news-views/20201013/un-asia-pacific-governments-commit-push-forward-social-business-post-covid

- In Singapore, a government-appointed Social Enterprise Committee was tasked with developing national strategies to grow social enterprises and their ecosystem, and in 2012, the Office of the President of Singapore launched the President's Challenge Social Enterprise Award (PCSEA) to honour and recognise outstanding social enterprises for their contributions to the local community
- In Hong Kong, China, the government launched a Social Enterprises Partnership Programme (SEPP) in 2008. The government also supported the creation of a Social Enterprise Award Scheme
- In Thailand, the Master Plan for Social Enterprise Promotion was developed for the period 2010–2014 with the Thai Social Enterprise Promotion Board, chaired by the Prime Minister, and the Thai Social Enterprise Office was also founded in 2011. A law specifically targeting social enterprises was passed in 2019.¹⁵



Coaches from B-TOP Sports Academy during a training session with their participants.

¹⁵ www.thailand-business-news.com/environment/71489-regulation-can-hinder-not-help-asias-social-enterprises-analysts-say.html

The following picture emerges from the experience of these policies and strategies.

- The slow, unpredictable and long-term nature of the development of social enterprise policies reflect how this agenda may sometimes challenge certain policymakers' assumptions, reimagining the nature and role of business, and requires a transformation which can take time to embed.
- The significance of high-level political leadership as well as the question of where responsibility for social enterprise lies within the architecture of government.
- In many countries, no explicit law or legislation regarding social enterprise exists, nor is there a distinct registration or legal form for social enterprise. Where explicit legal forms or legal recognition do exist, they have not always had significant uptake, such as in Viet Nam or Thailand, which may be simply due to their infancy, lack of understanding, or perhaps linked to a perceived lack of tangible benefits for entities registering as such.
- Generic business policies, relating to SMEs for instance, can be a significant factor in the enabling environment for social enterprise. Access to business support for SMEs as a whole, or legislation around NGOs or co-operatives, civil society or the social and solidarity economy more widely, company law, microfinance or job creation policies are all important parts of the policy environment for social enterprise.
- Governments and other policymakers are often interested in access to finance and impact investment with a view to how the flow of capital can help social enterprise to scale.
- Regional, sub-national and even municipal-level policies can also be important enablers.
- The EU, UN bodies, the World Bank, ADB and other international donors, philanthropic organisations and institutions exhibit an influence over the policy environment and the degree to which social enterprise is given consideration, or otherwise.
- Co-ordinated and constructive advocacy on behalf of social enterprises and relationships with government are also important in taking policy forward.

Meanwhile, with an inclusive business lens, in 2017, ESCAP and the Inclusive Business Action Network (iBan) reported how 'In Myanmar, the Philippines, and most recently Cambodia, the inclusive business (IB) agenda has advanced rapidly over the past two years, and national strategies and pilot support have been developed. Other countries, such as Indonesia, Malaysia and Viet Nam, have achieved significant progress with the launch of national studies on IB. Although progress has been made and awareness is increasing, few ASEAN Member States have adopted concrete rules and regulations to support IB.'¹⁶

¹⁶ www.unescap.org/sites/default/files/publications/STII%20No.92_20191231.pdf

The support ecosystem

The research has also explored the range of players in the social enterprise support ecosystem. In some places, it is in its infancy, while in others this ecosystem is more mature. But it is often dynamic, messy and growing. These ecosystems include:

- Policymakers – not only governments but think tanks , universities and international agencies
- Enablers and capacity builders – business support providers as well as incubators, accelerators and co-working spaces, often with a focus on start-ups and digital technology
- Networks, platforms and facilitators – including membership bodies, chambers and associations
- Funders and financiers – with a mix of financial motivations from philanthropic through to commercially motivated providers of capital. Crowdfunding has been on the rise in many places, and while impact investment is often new and exciting, the role of conventional banking institutions remains important
- Higher education, and technical and vocational education and training providers – universities often play a significant role as crucibles for social enterprise development, as social enterprise increasingly features in curricula across the world.

In many countries and territories, this ecosystem is often highly concentrated in major cities. Corporates also sometimes play a significant role, but this varies significantly. The media also engages in raising awareness and understanding of social enterprise to varying degrees with some high-profile social entrepreneurs on television in some contexts, while public awareness of social enterprise more widely remains very limited in many places.



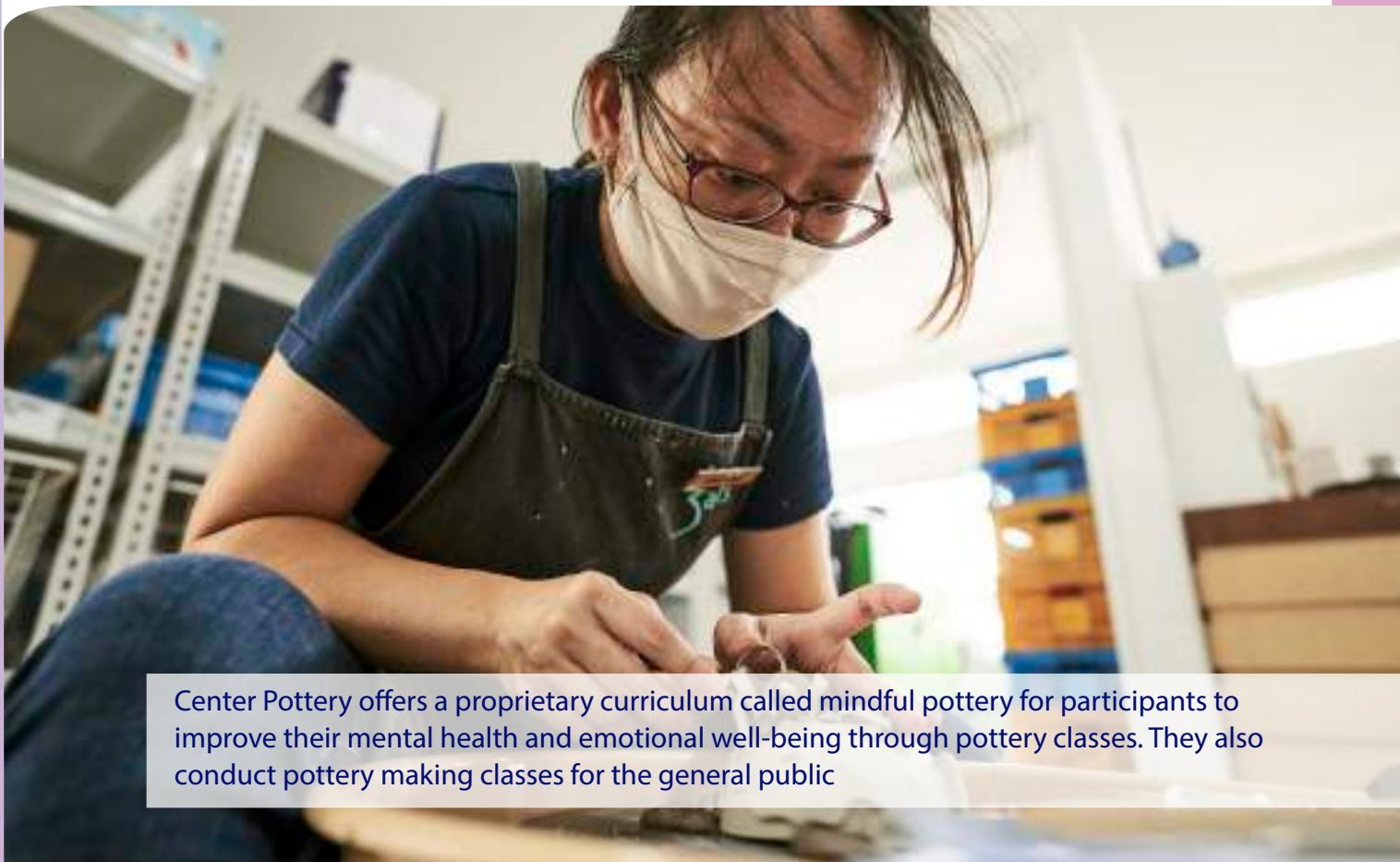
Eldage integrates traditional wisdom, modern knowledge and digital marketing through an online to offline business model, with the aim of promoting traditional culture through craftsmanship, curating stories stories and workshops for handicrafts, and selling handicraft products

Social finance and impact investment

Some social enterprises require access to funding and finance. Funding and finance can come from multiple avenues, including social entrepreneurs' own personal resources; grants or donations; trading revenue; crowdfunding campaigns; and investments such as debt, equity or hybrids.

Social finance, social investment and impact investment are terms that have become increasingly popular in recent years. While this territory is emerging and contested, these terms tend to refer to repayable finance instruments, where decisions are driven by social and/or environmental return as well as financial return. 'Social finance' can be used as an umbrella term to describe the range of new financial instruments that have emerged in recent years, where financial motivations are accompanied by social objectives.

The increasing interest in social finance has come alongside a rise in sustainable investments more widely. Globally, the size of socially responsible investments in 2019 rose by 34 per cent to US\$30.7 trillion in two years. In 2018, the Global Impact Investing Network (GIIN) reported that South East Asia's impact-investing ecosystem had developed significantly over the previous decade. It also estimated that since 2007, private impact investors had deployed around US\$904 million through 225 direct deals, and development finance institutions had deployed around US\$11.3 billion through 289 direct deals.



Center Pottery offers a proprietary curriculum called mindful pottery for participants to improve their mental health and emotional well-being through pottery classes. They also conduct pottery making classes for the general public

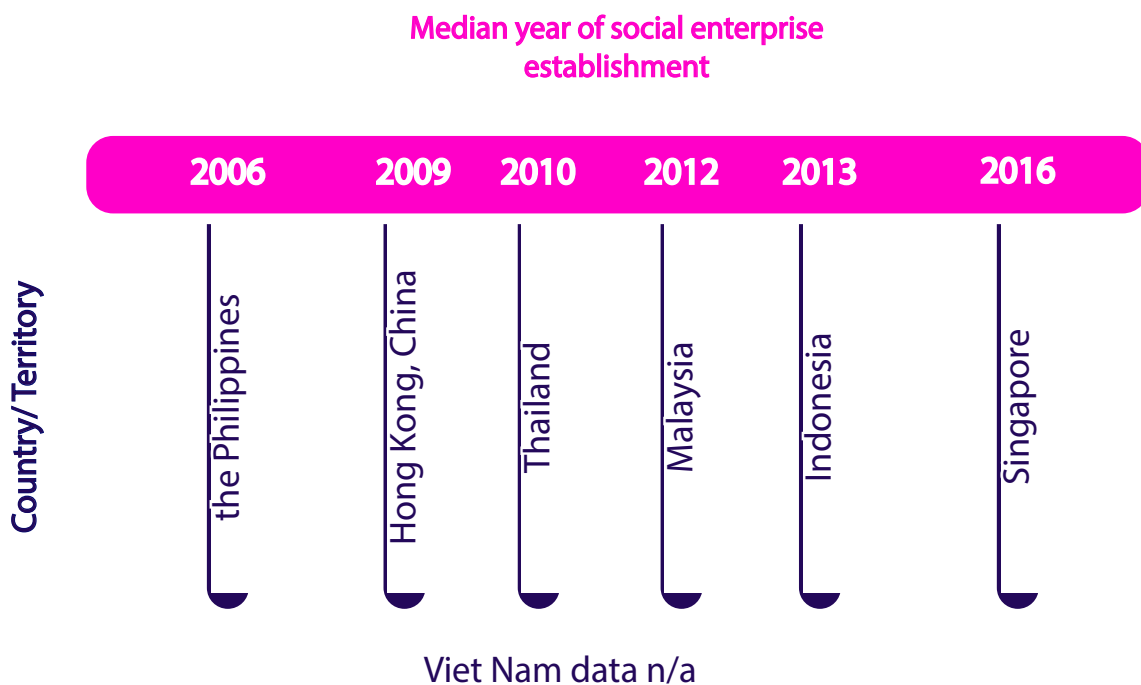
Comparative survey findings

Operational profile

Year of establishment

Social enterprises are often young businesses, with the majority founded in recent years. The average year of establishment¹⁷ across these countries and territories is 2011. This reflects a wider perception that this part of the world has seen particularly significant growth in the profile and activity of social enterprise in recent years.

Singapore has the newest social enterprises with the average year of establishment as recent as 2016, while in Thailand, these businesses tend to be older, where the average year of establishment is 2010.



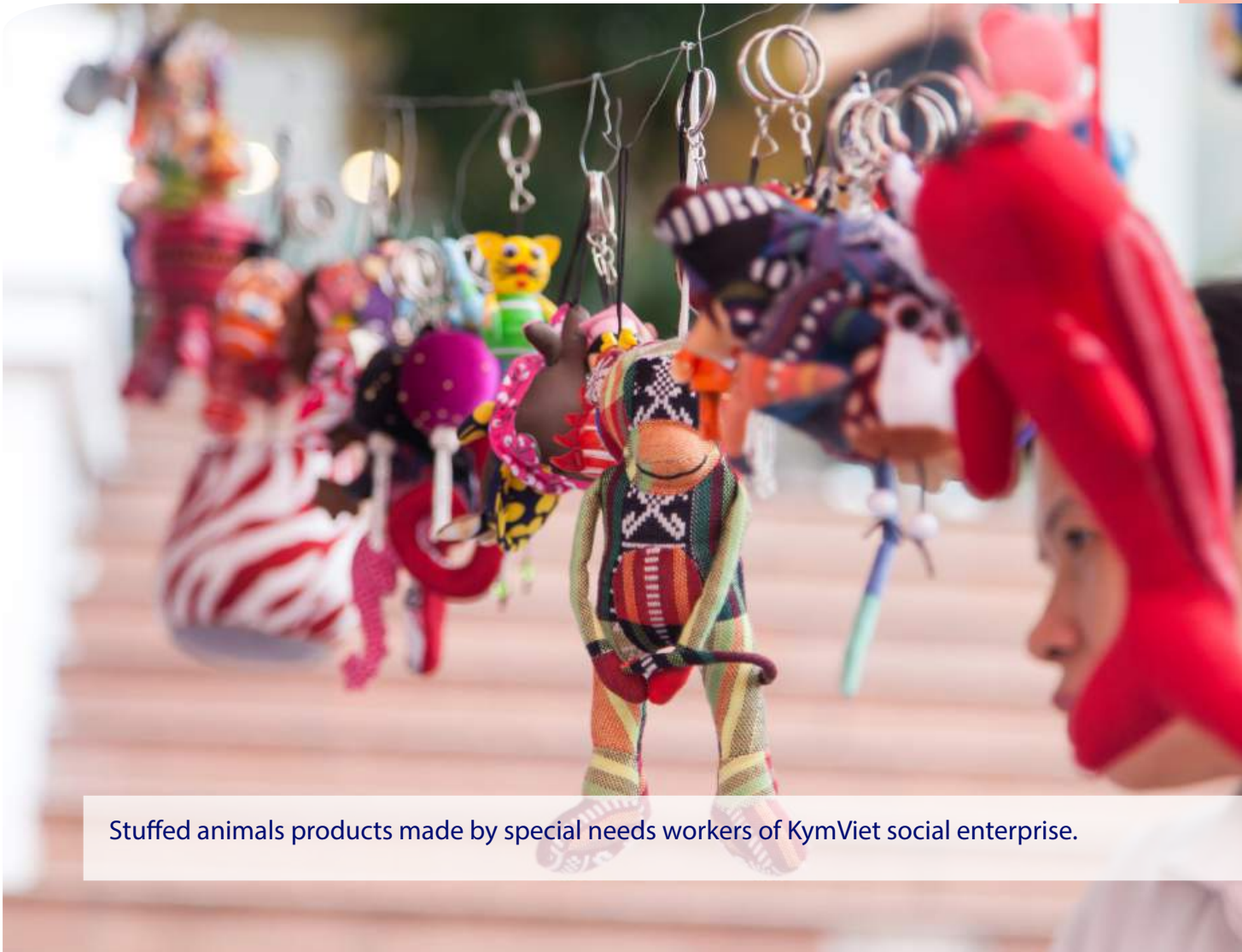
Geography of operations and reach

Social enterprises often deliver impact locally while some trade regionally or globally. More than half of all social enterprises in the region are rooted in and focused on addressing issues in their local communities.

Viet Nam has the highest proportions of social enterprises trading internationally, with 20.5 per cent. Meanwhile, in the Philippines, just 5.8 per cent of social enterprises operate internationally.

¹⁷ Using an unweighted average across the surveyed countries

Country/territory	Regional/local	National/city	International
Hong Kong, China	26.0%	58.9%	15.1%
Indonesia	51.5%	35.2%	13.3%
Malaysia	58.8%	24.4%	16.8%
The Philippines	68.0%	26.2%	5.8%
Singapore	84.8%	0.0%	15.2%
Thailand	60.9%	29.1%	9.9%
Viet Nam	48.8%	30.7%	20.5%



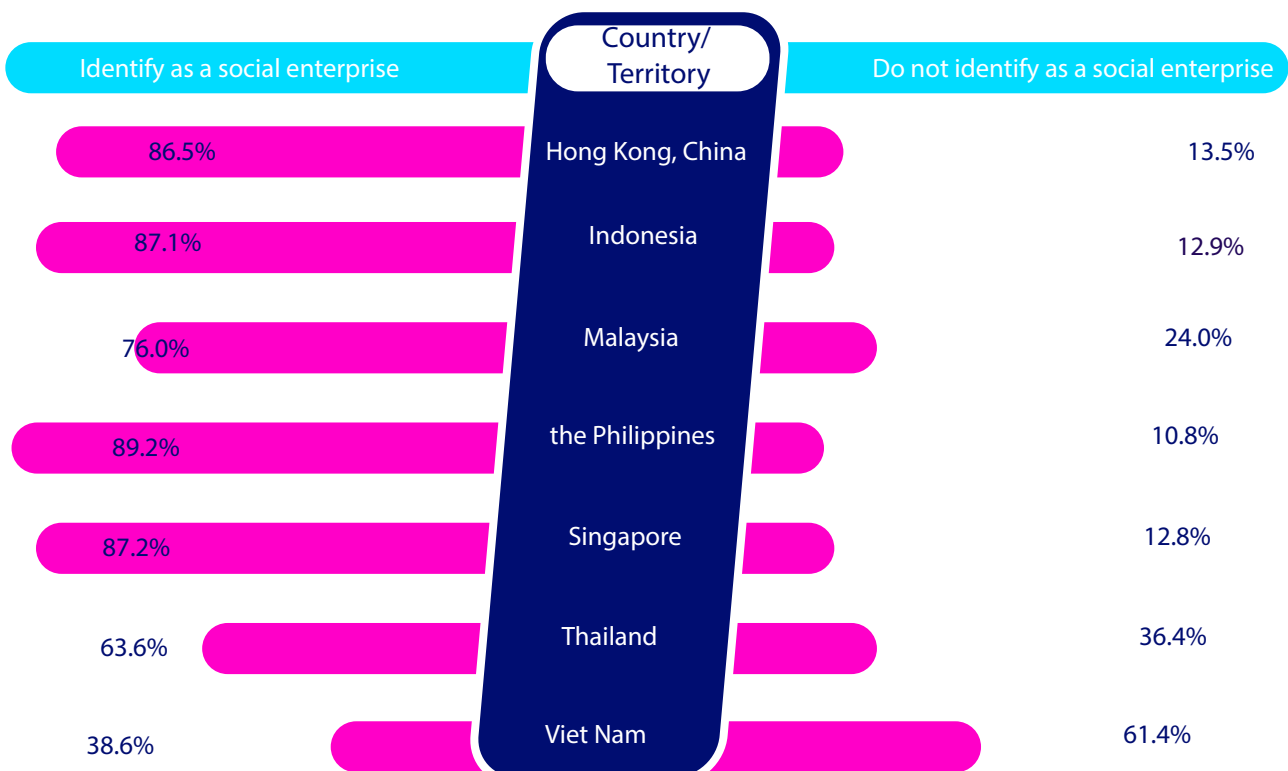
Stuffed animals products made by special needs workers of KymViet social enterprise.

Self-identity

Social enterprise is a well-recognised term by social enterprises themselves and commonly part of their identity. Over 85 per cent of survey respondents tended to recognise themselves as social enterprises in Indonesia, the Philippines, Singapore, and Hong Kong, China, while only 38.6 per cent of respondents did so in Viet Nam.

This is perhaps surprising in Viet Nam where the government has introduced formal policies relating to social enterprise and their recognition. Yet this is perhaps explained by Viet Nam's Enterprise Law in 2015, which established social enterprise as a distinct type of organisation, and survey respondents included many businesses which are not recognised by this law but nevertheless meet wider defining criteria of social enterprise. The figures for Thailand and Malaysia were also lower than others, perhaps backing up this idea that formal government registration and recognition schemes are excluding a large proportion of businesses that nevertheless do meet many people's understanding of what constitutes social enterprise.

There are lessons here for policymaking in a range of contexts. A range of organisational terms and identities overlap and evolve over time, such as inclusive business, which has gained particular currency in this region. It seems that government efforts to regulate or certify social enterprise may even be counterproductive and more emphasis might be placed on recognition and awareness-raising initiatives, driven by the social enterprise community itself. If considered, certification or registration processes need to be sufficiently resourced, while balancing simplicity with appropriate incentives.



Legal form

Legal forms for social enterprises to register their businesses vary across contexts. For the purposes of this research, we grouped together similar or related legal forms into the following broad groups:



The highest proportion of sole traders could be found in Malaysia (20.7 per cent). The highest proportion of partnerships could also be found in Malaysia (15.3 per cent). The highest proportion of private companies could be found in Singapore, Thailand, and Indonesia, Viet Nam, Hong Kong, China, with over half of social enterprises, or more, taking this form. Charitable organisations, or similar, were most frequently found in the Philippines.

Policy analysis and consultation led by the British Council, ESCAP, Social Enterprise UK and research teams in each country or territory, have witnessed some frustration with the existing legal options and calls for new and bespoke social enterprise options in many places. Yet these voices do not match with the evidence garnered from the surveys, which do not suggest legal forms are a major barrier, at least on the surface.

Social enterprises as subsidiaries of other organisations were most often found in the Philippines, at 26.2 per cent.

Country/territory	Sole trader	Partnership	Private company	Charitable organisation/NGO	Other
Hong Kong, China	8.1%	4.1%	58.1%	29.7%	0.0%
Indonesia	0.0%	0.0%	55.8%	32.9%	11.2%
Malaysia	20.7%	15.3%	45.9%	16.2%	1.8%
The Philippines	14.8%	3.2%	18.5%	59.8%	3.7%
Singapore	7.8%	2.1%	82.3%	7.8%	0.0%
Thailand	4.4%	4.4%	69.3%	21.9%	0.0%
Viet Nam	9.8%	0.0%	58.5%	19.5%	12.2%



Artisans of Tanoti producing handwoven songket at Tanoti House, Kuching.

Mission

Type of beneficiaries

Social enterprises work for a wide range of beneficiaries in diverse settings around the world. In every country or territory surveyed, the most common response was serving particular groups of people, often disadvantaged or marginalised by society.

Yet organisations rather than people were frequent beneficiaries in the Philippines, for over half respondents and employees (59.7 per cent) indicating a significant presence of business support providers and other intermediaries. The local community was also often reported as a priority in the Philippines. The environment and animals were a relatively high priority in Hong Kong, China.

Specific objectives

More specifically, social enterprises have diverse objectives. Improving a particular community tended to be the most common priority for social enterprises across the board. Significant differences include:

Here are some of the most significant differences:

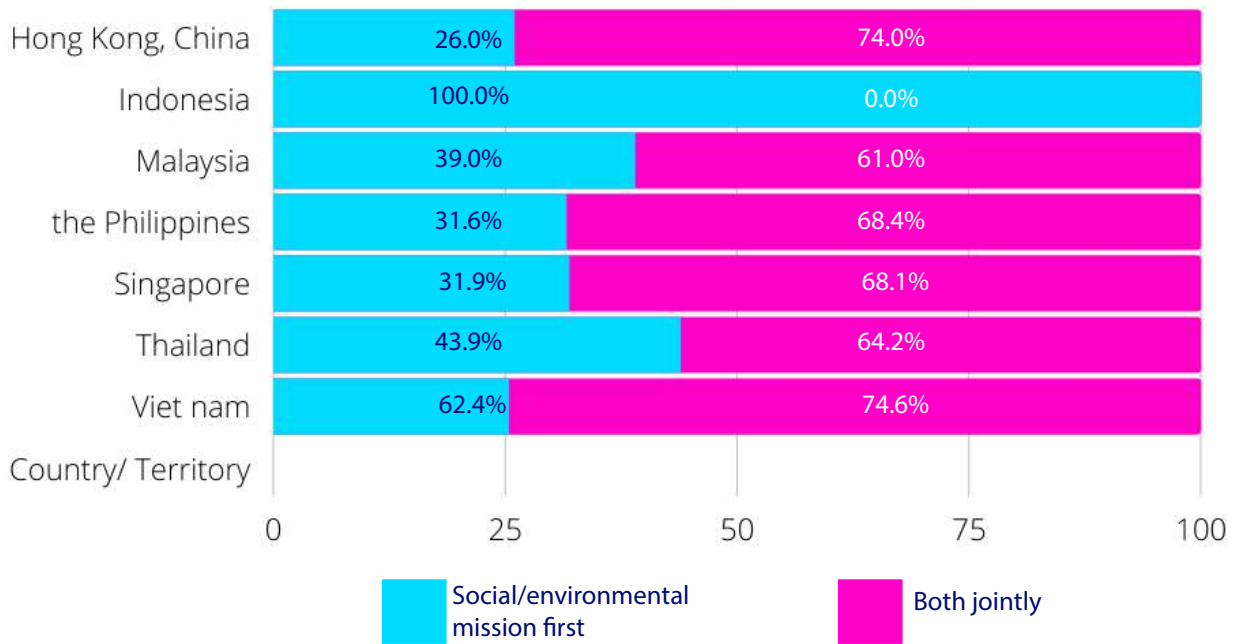
- The environment was a high priority for social enterprises in the Philippines¹⁸ (53.9 per cent)
- Young people were often a high priority in the Philippines (34.5 per cent)
- Creating employment was most common in Indonesia, the Philippines, Singapore and Viet Nam, for around 50 per cent or more of social enterprises in these countries
- Supporting vulnerable people was a high priority in Singapore, Viet Nam and the Philippines, for around half in each country
- Improving health and well-being was a common objective in the Philippines, Singapore and Hong Kong, China, for over 40 per cent in each
- Addressing financial exclusion was most frequently an objective in Viet Nam, for around one in ten
- Promoting education and literacy was often an objective in many places but especially in Singapore and the Philippines, for around 40 per cent, perhaps counterintuitively given the advanced education system in Singapore
- Supporting other social enterprise/organisations was least common in Thailand and Malaysia, for less than one in ten enterprises.

¹⁸ The survey approach differed slightly in the Philippines, allowing respondents to choose more options than in other countries and territories, so this should be taken into account when comparing across territories.

Purpose

By their nature, social enterprises must balance their aims to achieve social impact along with the need to achieve financial sustainability. For Indonesia, the primacy of social or environmental mission was one of the criteria for including respondents in the findings. But in other countries and territories, 'Profit and social/environmental mission jointly' was also allowed.

After Indonesia, social enterprises most likely to put their mission first could be found in Thailand with 43.9 per cent. This was least common in Viet Nam (25.4 per cent).





Spic & Span is a disinfectant cleaning services company which provides employment for marginalised Singaporeans and provide subsidised or probo noservices for Social Organisations in Singapore

Case study: Spic & Span (Singapore)

Spic & Span is a cleaning company that is an accredited B Corporation as well as a Social Enterprise Member of the Singapore Centre for Social Enterprise (raiSE). It received a VentureForGood grant from raiSE during its early seed funding. It focuses on inclusive hiring and providing progressive careers for marginalised Singaporeans. Since 2017, more than 60 social service agencies have partnered with it to train, upskill and provide employment opportunities to over 300 individuals.

Before Covid-19, the company had invested heavily in cleaning technology to differentiate itself from its competitors, increase productivity and add value to its clients. It was therefore ready in terms of technology, logistics and manpower to take on the increase in demand due to Covid-19.

The company performed exceptionally well in 2020. It has attributed its success in scaling its business to the continual investment in staff and technology as well as its adaptability to the changing business environment. The staff were willing to go the extra mile to take on more tasks and adapt to the challenges as they believed in the company's social mission.

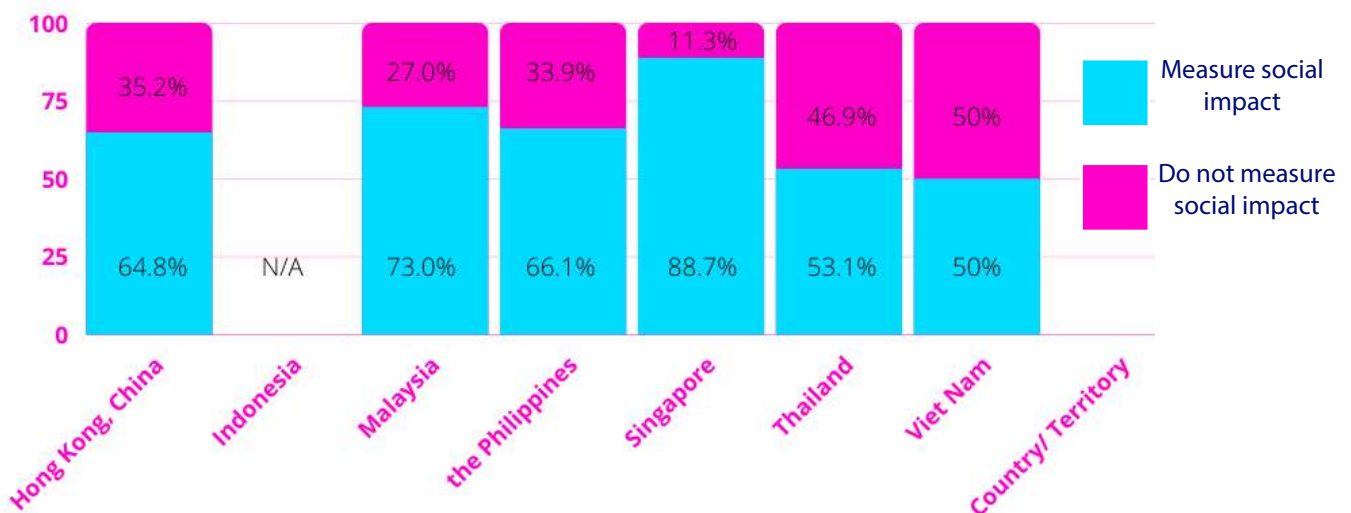
Number of beneficiaries

Social enterprises often serve small groups of people, rooted in their communities and are established to solve local problems. However, some are able to reach many thousands of beneficiaries which demonstrates that scale is possible. In terms of the number of beneficiaries, Malaysia has a relatively high proportion of social enterprise serving a low number of people. Singapore is also notable with over two-thirds (66.9 per cent) serving between 11 and 100. The Philippines is at the other end of the spectrum where nearly a third are serving over 1,000 people

Country/territory	0	1–10	11–100	101–1,000	1,001–10,000	10,000+
Hong Kong, China	4.5%	0.0%	28.4%	41.8%	25.4%	0.0%
Indonesia	0.9%	18.0%	36.2%	29.3%	9.9%	5.7%
Malaysia	0.0%	27.0%	32.0%	27.0%	13.9%	0.0%
The Philippines	6.0%	12.6%	26.3%	25.1%	17.4%	12.6%
Singapore	7.7%	0.0%	66.9%	14.6%	10.8%	0.0%
Thailand	8.0%	0.0%	34.4%	24.8%	32.8%	0.0%
Viet Nam	1.7%	18.6%	34.7%	33.1%	9.3%	2.5%

Social impact measurement

Not all the studies asked whether social enterprise measured their social impact. For those that did, Singapore had the highest proportion of enterprises doing so, with 88.7 per cent. At the other end of the spectrum, Viet Nam social enterprises were lowest with 50 per cent reporting that they did not measure their impact. Investors and grant-makers alike are becoming increasingly demanding when it comes to impact measurement yet both capacity and financial resources to carry this out are in short supply – seemingly an increasing challenge for social enterprises in the region.





Case study: Diamond Cab (Hong Kong, China)

When founder Doris Leung's mother became permanently disabled in 2007, Leung searched for transport solutions that would accommodate her mother's new needs. However, the options available were costly, unregulated or inaccessible – lacking space or ramps for wheelchairs. One of the few options was an unregulated van service that was double or triple the price of taxis. It operated with no insurance protection and failed to meet requisite safety conditions. Leung's mother was not the only one in need of wheelchair transportation, she adds, 'transportation is looking for public safety, and [is] a public problem'. Leung notes that public hospitals in Hong Kong, China have the highest number of elderly wheelchair users, who resort to private car services and unregulated cabs out of necessity.

After struggling to find services that could safely and legally transport wheelchair users, Leung joined Social Ventures Hong Kong, China to create Diamond Cab, an affordable taxi service with wheelchair ramps installed in the vehicles. Since their founding, the company had made over 160,000 barrier-free trips in 2020. But they are still faced with several challenges. The supply of drivers has been a challenge for the company and is now being tackled via online recruitment and advertisements. Hardware that is both wheelchair accessible and family-friendly has been difficult to locate, as the latest type of approved cabs can only accommodate one wheelchair user and one carer. They also place barrier-free loading mechanisms on the side of the car, a design which drivers may find challenging to use. The relatively small market poses economic barriers as well, where manufacturers find the market too small or unprofitable to supply. This combination of resistance and resource shortage has limited the scale of Diamond Cab's operations.

However, the project is growing and gaining support from the private sector players, like insurers, and charity programmes that have come together to help with cab advertising. Medical groups are also getting involved with marketing and charity, while family foundations such as Lee Hysan Foundation are providing sponsorship to develop new schemes such as Diamond Leisure, transport for the elderly to access leisure activities. Increasingly, the taxi landscape in Hong Kong, China is characterised by larger, more accessible vehicles. Diamond Cab has contributed at a systems level to highlighting the need for improved access to transport across the city.



Staff and leadership

Full-time staff

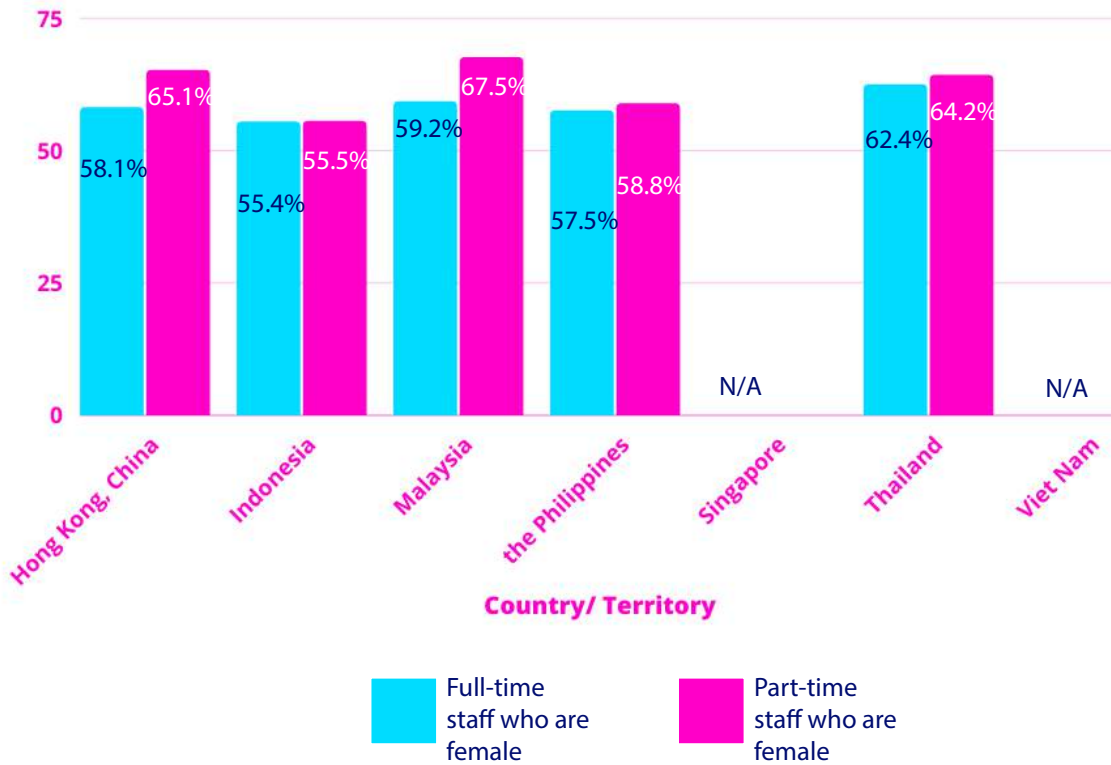
Social enterprises are often small businesses, but there are some examples of larger social enterprises too, which employ a significant number of people. The territories with social enterprises often employing relatively small numbers of staff were Thailand and Hong Kong, China, where 28.7 per cent and 17.6 per cent of social enterprises had no employees. At the other end of the spectrum, Viet Nam, the Philippines and Thailand saw around 10 per cent of social enterprises employing over 50 people.

Country/territory	0	1-9	10-49	50-249	250+
Hong Kong, China	17.6%	70.3%	9.5%	2.7%	0.0%
Indonesia	12.7%	68.9%	14.9%	2.8%	0.6%
Malaysia	15.1%	63.0%	19.3%	2.5%	0.0%
The Philippines	11.4%	51.2%	27.7%	5.4%	4.2%
Singapore	4.6%	64.2%	22.0%	9.2%	0.0%
Thailand	28.7%	43.3%	18.7%	4.7%	4.7%
Viet Nam	0.8%	36.2%	46.5%	13.4%	3.1%

Gender and women empowerment

Research has found that in almost every country and territory, social enterprises tend to create jobs for women more than business more widely. Previous research by the British Council in Brazil, India, Pakistan, the UK and the USA, has found that social enterprise is being used to support women's empowerment in a number of powerful ways. Social enterprises are creating proportionally more jobs for women than other sectors of the economy. Many of the women employed by social enterprises are from disadvantaged backgrounds, and these jobs often represent a vital source of income. Social enterprise also offers more leadership opportunities for women in many countries.

The research found that 75 per cent of women who started a social enterprise said it had given them an increased sense of self-worth and 64 per cent reported enhanced confidence.¹⁹ We are seeing similar trends in the research that has been conducted in South East Asia. Thailand has the highest proportion of full-time women staff, with 62.4 per cent. All countries for which data was available had a majority of female staff and the same is true for part-time staff.



Leadership and gender

Social enterprises are much more likely to be led by women than business more widely. Female leadership was highest in Singapore, at 56.1 per cent and at its lowest in Thailand, at around 35.7 per cent. Where comparative data is available, social enterprises are consistently more often led by women than in other business more widely.



¹⁹ www.britishcouncil.org/sites/default/files/social_enterprise_and_womens_empowerment_july.pdf



Inclusive Impact helps organisations to innovate with social values through corporate training workshops, which are held by Hong Kong elite wheelchair para-athletes



A weaver at the Al Jamelah Weaving Center in Cotabato City.

Leadership and youth empowerment

These surveys have shown that social enterprise leaders are often young. Indonesia had the highest proportion of social enterprises led by people under the age of 24; over one in five. Thailand, Viet Nam and Hong Kong, China had very few social enterprises led by people under 24. Across all geographies surveyed, leaders tended to be between 25 and 44. This is an encouraging sign, as it shows that increasingly young people are choosing social enterprise as a model to start up new enterprises in the region, which bodes well for the future of business across the region.

Country/territory	16–24	25–44	45–64	65+
Hong Kong, China	1.5%	55.9%	38.2%	4.4%
Indonesia	21.2%	67.1%	11.7%	0.0%
Malaysia	6.6%	47.9%	44.6%	0.8%
The Philippines	3.4%	48.1%	39.8%	8.7%
Singapore	2.9%	67.6%	27.3%	2.2%
Thailand	1.3%	49.7%	42.3%	6.7%
Viet Nam	0.0%	59.1%	36.2%	4.7%

Case study: Good Food Community (the Philippines)

Good Food Community is a regional agriculture-based social enterprise driven by the principle of Community Shared Agriculture (CSA). Consumers subscribe to CSA farm shares for commitment periods of their choosing. A subscription entitles a consumer to fruit and/or vegetable packs organically grown and sustainably harvested by the beneficiary communities.

Although headquartered in the National Capital Region, all of its 100 beneficiaries belonging to indigenous peoples and farmer groups are from rural areas in Luzon. For many years now, Good Food Co. has been shaping a new food ecology wherein consumers eat healthily and producers farm sustainably.

Business model

Sector

Social enterprises work across all sectors of the economy, all around the world. But this also varies considerably:

- agriculture is a common sector for social enterprises in Viet Nam (32.3 per cent) in particular
- arts, culture and heritage were most common in Malaysia (10.6 per cent) and Singapore (13.6 per cent) as well as Hong Kong, China (8.1 per cent), while creative industries were common sectors in Indonesia, for around one in five social enterprises²⁰
- business consultancy, development and entrepreneurship support was a popular industry in Singapore at 15.7 per cent
- social enterprises working in education were often found in Singapore (41.4 per cent)
- energy and clean technology was popular in Thailand, for 9 per cent, while environmental/sustainability more widely was a frequent sector for social enterprises in Malaysia, for 15.9 per cent
- food was a significant sector for social enterprises in Singapore and Malaysia, for 15.7 and 13.3 per cent, respectively
- healthcare was highest in Singapore, for 29.3 per cent of social enterprises
- hospitality was a common sector in Viet Nam for 10.2 per cent.



A Chocolate Concierge employee inspects a cocoa pod at the enterprise's partner community farm.

²⁰ Sectors were classified somewhat differently in each research study, making direct comparison difficult. For example, arts and culture is used in some reports whereas the creative industries is used in others.

Grant income

All types of business receive grants from government and beyond, and social enterprises are no different. But this varies considerably across contexts.

Social enterprises in Hong Kong, China received a relatively low proportion of their income from grants with fewer than 15 per cent reporting that they received more than 25 per cent of their income from grants. Malaysia and the Philippines had a similar proportion.

Indonesia was at the other end, with over 50 per cent of social enterprises in the country receiving more than 25 per cent of their income through grants.

Country/territory	0–24%	25–49%	50–74%	75–100%
Hong Kong, China	85.1%	6.8%	8.1%	0%
Indonesia	43.0%	16.1%	18.8%	22.1%
Malaysia	83.1%	10.2%	6.8%	0%
The Philippines	80.1%	10.2%	9.7%	0%
Singapore	78.3%	16.3%	5.4%	0%
Thailand	N/A	N/A	N/A	N/A
Viet Nam	74.4%	6.4%	19.2%	0%

Case study: SukkhaCitta (Indonesia)

One example of a women-led social enterprise in the creative industries is SukkhaCitta. The company was founded in 2016 with the mission of benefitting rural women artisans in Indonesia. By providing direct capacity building and access to the urban market for rural artisans, SukkhaCitta empowers women to earn a living using their talent in craft with the aim of lifting them out of poverty. SukkhaCitta has supported artisans across Java, through batik and business training, preserving local traditions and culture, capacity building in natural dyeing, and revitalising lost crafts.

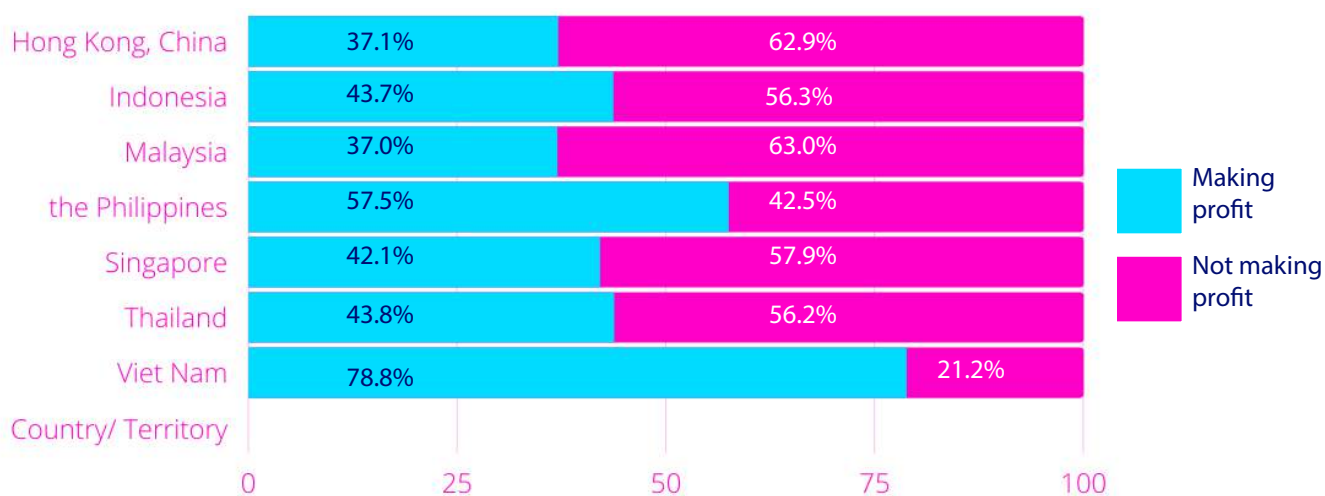
Turnover

Social enterprises are often small businesses. Comparing turnovers across different economies is challenging given currency fluctuations, differences in purchasing power and living standards and so on. Nevertheless, countries in the surveys with social enterprises frequently turning over less than £20,000 included Malaysia and the Philippines. Thailand and Singapore had the highest proportion of social enterprises turning over millions of pounds.

Country/territory	£0–4,999	£5,000–19,999	£20,000–49,999	£50,000–99,999	£100,000–249,999	£250,000–499,999	£500,000–999,999	£1–5m	5m+
Hong Kong, China	23.9%	0.0%	25.4%	11.0%	23.9%	0.0%	6.0%	4.5%	0.0%
Indonesia	40.9%	30.7%	11.0%	7.2%	5.1%	1.8%	0.9%	1.8%	0.6%
Malaysia	44.2%	23.0%	8.8%	5.3%	18.6%	0.0%	0.0%	0.0%	0.0%
The Philippines	35.7%	14.3%	16.7%	4.8%	4.8%	11.9%	4.8%	11.0%	2.4%
Singapore	45.6%	0.0%	0.0%	28.9%	9.6%	7.9%	0.0%	11.0%	0.0%
Thailand	14.3%	20.5%	12.5%	15.2%	9.8%	8.0%	6.3%	11.0%	3.6%
Viet Nam	42.0%	0.0%	0.0%	18.5%	26.1%	0.0%	5.0%	5.9%	2.5%

Profit

Social enterprises report making a profit, breaking even and making a loss around the world, like all other businesses. The most profitable social enterprises are in Viet Nam where over three-quarters report making a profit, whereas in Malaysia and Hong Kong, China, the proportion is nearer one-third.





Use of profits

While social enterprises direct their profits to the cause, this can happen in a range of ways. Social enterprises in Thailand and Hong Kong, China most often report investing profits in growth and development activities. Rewards to staff and beneficiaries are most common in Thailand (56.3 per cent) and Viet Nam (49.6 per cent).

Using profits from one business unit to fund more socially focused and less profitable activities in another (a cross-subsidy model) was most common in Thailand (40.3 per cent) and while funding third party social/environmental activities was most frequently happening in the Philippines (47.2 per cent) and Singapore (91 per cent).

56.3%
Thailand

47.2%
Viet Nam

Rewards
to staff and
beneficiaries



40.3%
Thailand

91%
the Philippines

47.2%
Singapore

Fund
socially focused
and less profitable
activities

Growth

Jobs growth



Even when small businesses, research has found that social enterprises in many places are creating jobs, often faster than other businesses. Indonesia (41.6 per cent) reported the highest proportion of social enterprises increasing staff numbers from one year to the next. Thailand had not seen increases in job numbers, although the timing of the surveys in this country means that this is likely linked to wider economic circumstances at the time of the research. Work Integration Social Enterprises (WISE) are social enterprises with a specific ambition to support people who experience difficulties in the labour market and have a strong tradition in many parts of the region.

Work integration social enterprise (WISE)

Work integration social enterprises are a specific type of social enterprise that focus on improving employment prospects for those furthest from the labour market through a wider range of work-based opportunities, such as work experience, CV writing, interview practice, training and more. These businesses are a common feature of the social enterprise landscape in the region, sharing a common mission to support integration through work of disadvantaged people.

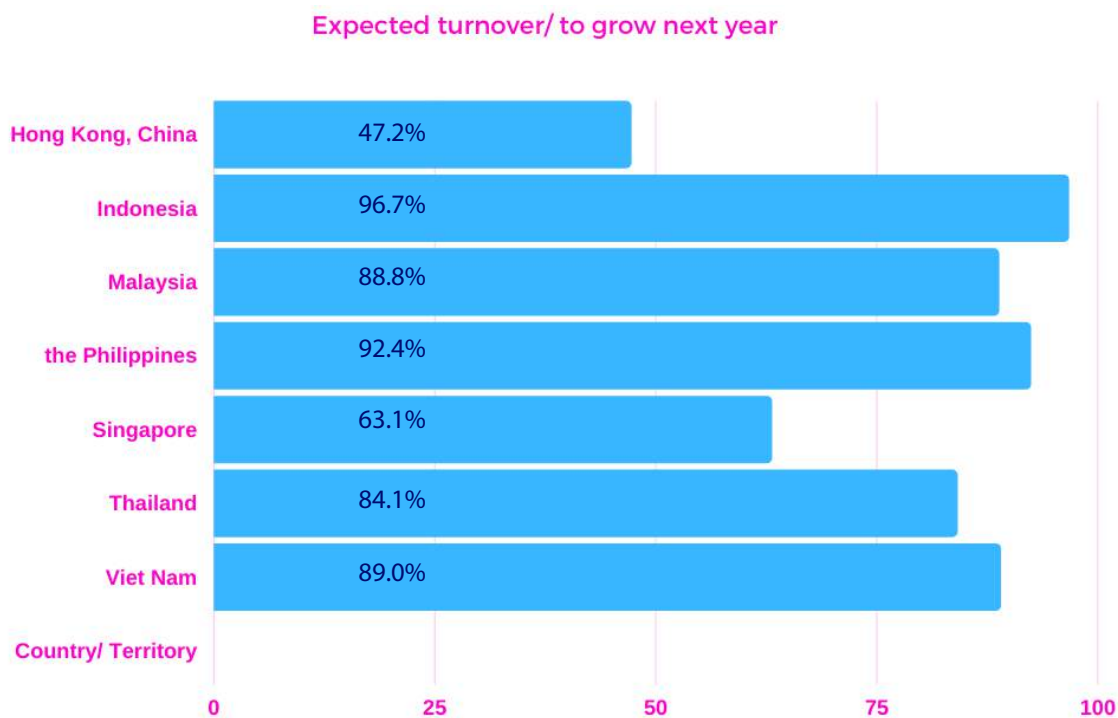
LUÜNA, a Hong Kong-based company that combats period poverty in Asia through a social impact business model



Growth expectations

Social enterprises in the region have been optimistic and have plans to grow. At the time of research,²¹ the vast majority of social enterprises expected to grow in each country or territory, with over 95 per cent of social enterprises in Indonesia expecting to grow or increase turnover. Even in Thailand, where growth expectations were relatively low, still over three-quarters of social enterprises expected to grow.

Social enterprise in Hong Kong, China and Singapore were less optimistic with only around half expecting to grow, but this is inevitably linked to the arrival of the Covid-19 crisis in the year of the research in those territories. Indeed, recent research into social enterprise in the Covid-19 crisis suggests that South East Asia has seen the highest rate of change in terms of how the crisis has affected business operations in different regions. Only three per cent reported running as pre-crisis, and a higher proportion (39 per cent) have seen activities reduce.²² Furthermore, of all regions, South East Asia was particularly pessimistic about growth, with 22 per cent of respondents reporting that they expect income to reduce and/or lose staff in the coming three to six months, although none expected to close.



Growth strategies

Social enterprises expect to achieve this growth in a number of ways. Increasing sales with existing customers was a common approach in Indonesia and Thailand, for 63 per cent and 61.5 per cent of social enterprises, respectively. Social enterprises were often expecting to attract new customers in the Philippines, while replicating or franchising was most often a strategy in Thailand. Developing and launching new products and services was also more common in Thailand for over 80 per cent of social enterprises. Attracting investment was most common in Indonesia and Viet Nam, for around half of social enterprises.

²¹ Each survey was undertaken at a different time, with some a long time before the Covid-19 crisis and others in the midst of the pandemic.

²² www.britishcouncil.org/sites/default/files/socialenterprise_covidresponsesurvey_web_final_0.pdf

Finance and barriers

Finance received

Access to finance for social enterprises is often of particular interest to many interested in seeing social enterprises develop. There is also often an important distinction and sometimes confusion between funding, such as grants or donations, and finance which expects a financial return, such as loans or equity.

Over half of the social enterprises surveyed in Malaysia and the Philippines had received grants from government or foundations. Donations were also the most common in the Philippines.

Loans were accessed less frequently but highest in the Philippines, Thailand and Hong Kong, China. Loans were least common in Viet Nam Malaysia, for fewer than 10 per cent of social enterprises in each country.

Investment from founders, friends and family were a common source of investment in Indonesia (69.5 per cent) and Thailand (47 per cent).

Finance constraints

Social enterprises around the world face a number of barriers when seeking access to finance. Approval procedures were seen as a hurdle in Viet Nam (38.6 per cent), in particular. But access to investors was the most frequent barrier, especially in Hong Kong, China, and the Philippines and for over 90 per cent of social enterprises in each country or territory.

Barriers

Social enterprise face wider barriers to success beyond access to finance, which are often the same as other businesses, but sometimes particular to their circumstances.

Obtaining funding and finance was seen as a challenge for over half of social enterprise in many countries or territories, although for only around a quarter in Hong Kong, China and Thailand. Cash flow was a common challenge across all territories, especially in Malaysia, for 55.4 per cent.

Recruiting staff was also a common challenge, particularly in Viet Nam (40.5 per cent). Shortage of skills was identified in many countries or territories, especially Indonesia, for around 40 per cent. Availability/cost of suitable premises was highest in Hong Kong, China, perhaps unsurprisingly. Lack of access to support and advisory services was also most commonly felt in Viet Nam.

Conclusions

This is the first quantitative research of its kind and most comprehensive dataset gathered in the region, based on the British Council's investment in research across over 20 countries and territories globally and seven in and around South East Asia. While this research has significant limitations, it paints a common and consistent picture of social enterprises in the region:

Earning income through business activities, committed to a social or environmental mission and directing profits to their missions;

With a long-standing history, evolving over many decades, with roots in diverse sectors;

Numbering up to one million businesses in the region

Increasingly supported by a diverse ecosystem of policymakers, enablers and capacity builders, networks, platforms and facilitators, funders and financiers, and education institutions;

increasingly supported by emerging government policies and strategies over the last decade and more, while still suffering from gaps in the policy landscape or finding that policies take time, or may not meet expectations, for example, when it comes to registration and recognition schemes or the introduction of tax breaks or favourable procurement regimes. There are often gaps still between policy, implementation and impact;

Delivering impact locally and regionally and trading globally

Recognising themselves and identifying as social enterprises while taking a wide variety of legal forms;

With diverse objectives but often working to improve a particular community, and working for a wide range of beneficiaries, often disadvantaged or marginalised by society, creating jobs, opportunities and accessible services for vulnerable people; often serving particular groups of people, often small groups – but sometimes many thousands;

Balancing social mission with the need to be financially sustainable through generating trading income and taking steps to measure their social impact;

Often creating jobs for women more than business more widely, often led by young people and much more likely to be led by women than business more widely;

Often young businesses, founded in the last few years, and often small businesses – but not always;

Working across all sectors of the economy, from agriculture to arts, culture and heritage and from education to food, health and manufacturing;

Attracting grants and investment from a diverse range of sources, including government, friends and family, and financial institutions;

Creating jobs, often faster than other businesses, are often optimistic and have plans to grow

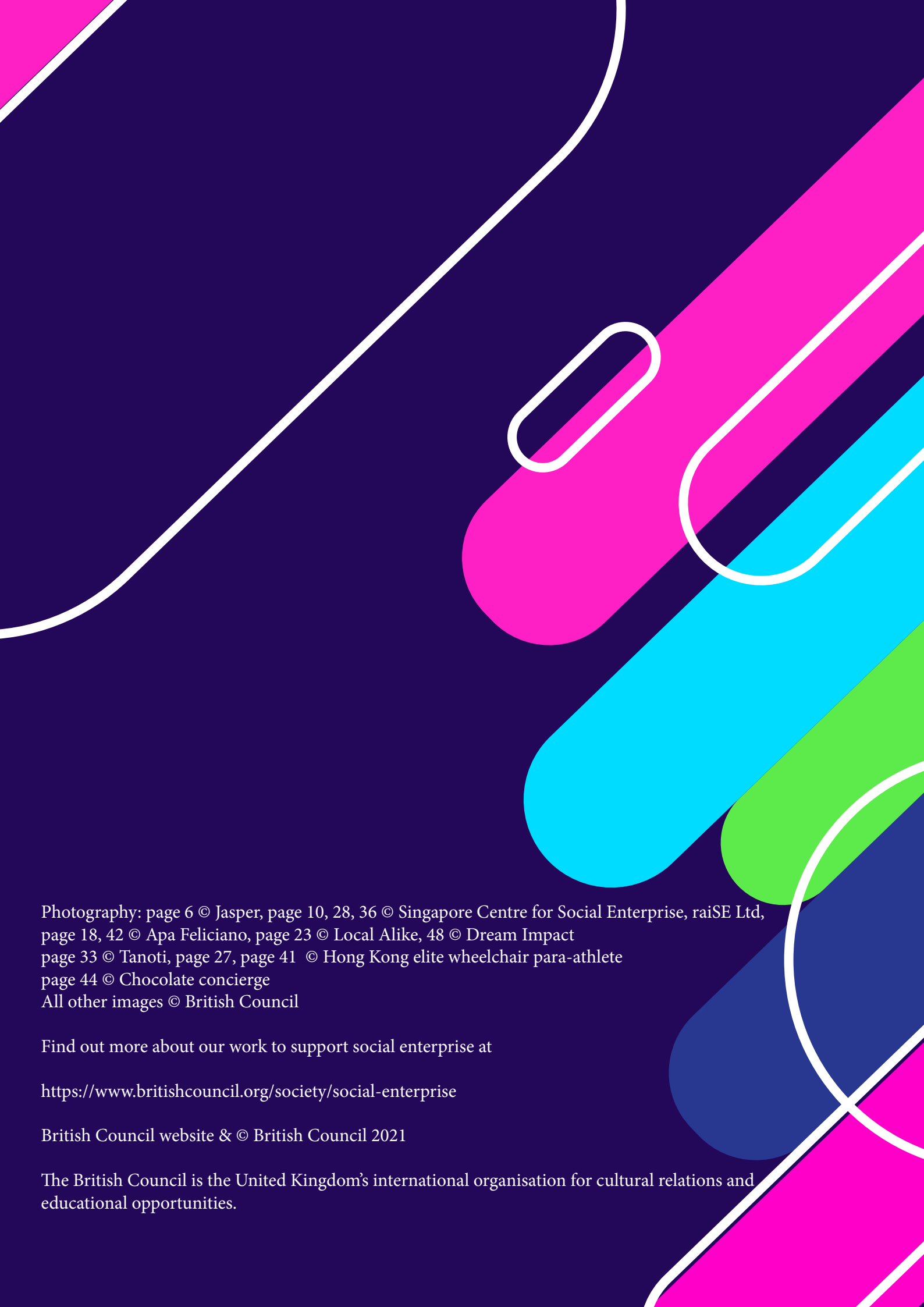
Making a profit, breaking even and making a loss, like all other businesses. But when they are making a profit, they are directing it towards their social mission;

Facing a number of barriers when seeking access to finance and more widely, including staff and talent.

Are often significantly influenced by the maturity of the social enterprise ecosystem, policy context and other external factors, such as the Covid-19 crisis



Canoeing in Bajo Mola on Familiarization Tour, British Council and Bank Mandiri Project 2016

The background features a dark blue field with several overlapping, rounded rectangular shapes in bright pink, cyan, and lime green. White outlines of these shapes and a white paperclip-like loop are scattered across the composition, creating a dynamic and modern aesthetic.

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<https://www.britishcouncil.org/society/social-enterprise>

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