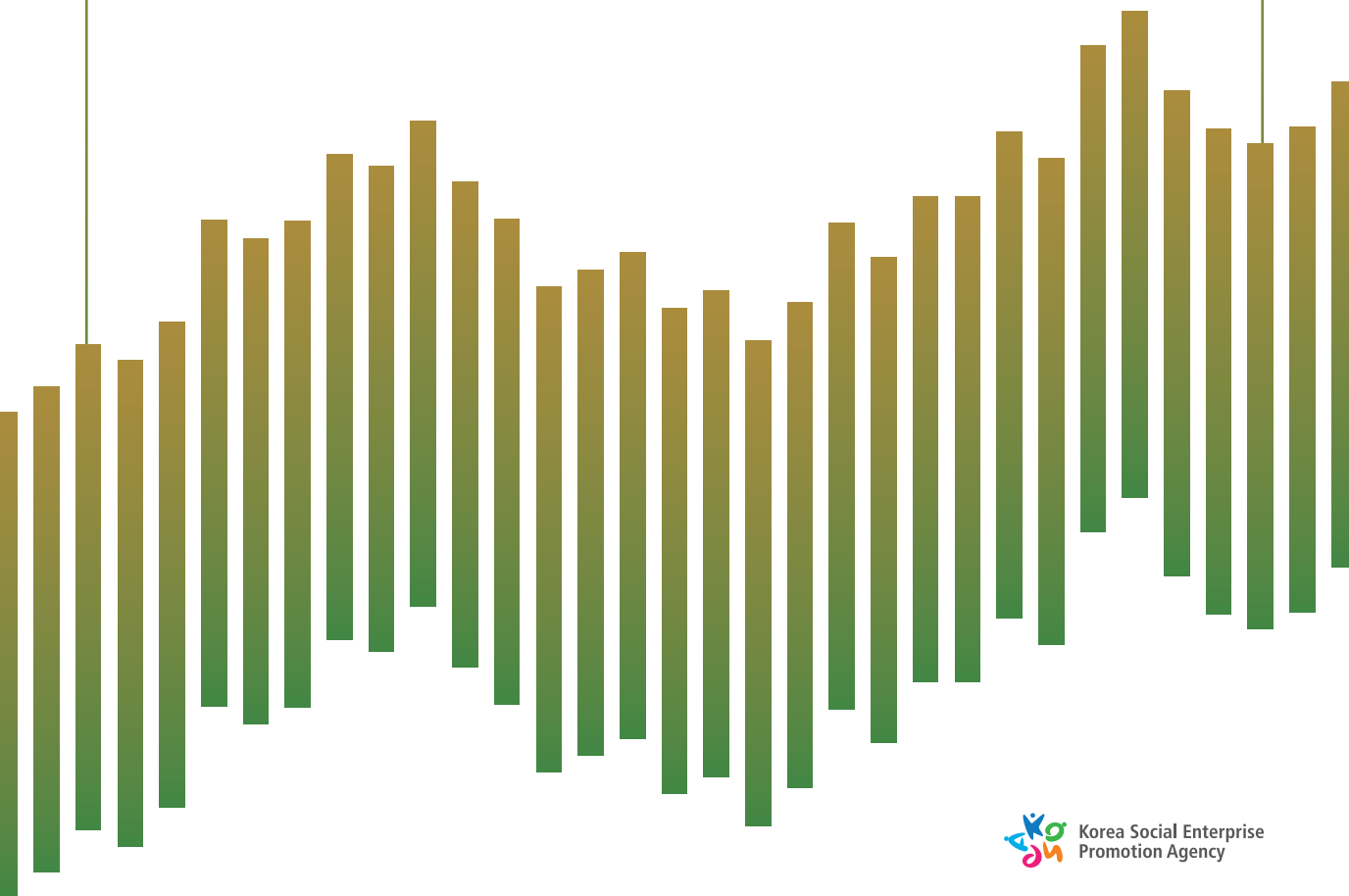


# 2020 Asia Social Economy Integration Report



# Asia Social Economy Integration Report

aims to enhance the understanding on the current status of the social economy in six Asian countries and provide basic data for future cooperation between countries. Singapore, Thailand, Malaysia, Vietnam, Philippines and Korea participated.

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## Participating Institutions

Singapore Centre for Social Enterprise (raiSE)

Social Enterprise Thailand Association

Malaysian Global Innovation & Creativity Centre

Vietnam Research Institute for Innovation and Development (VID)

Institute for Social Entrepreneurship in Asia (Philippines)

Korea Social Enterprise Promotion Agency

\* An introduction to each participating institution is included at the end of the country-specific status.

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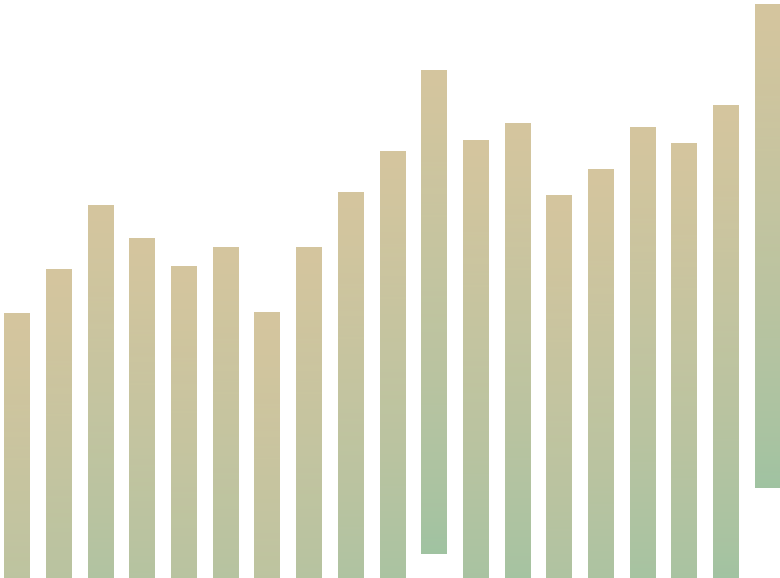
## 2020 Asia Social Economy Integration Report

<b>Published</b>	December 2020 KoSEA 6~8F 157 Sujeong-ro, Sujeong-gu, Seongnam, Gyeonggi-do, Republic of Korea
<b>Edited by</b>	InnoSocialLab
<b>Designed by</b>	Vitamincomm

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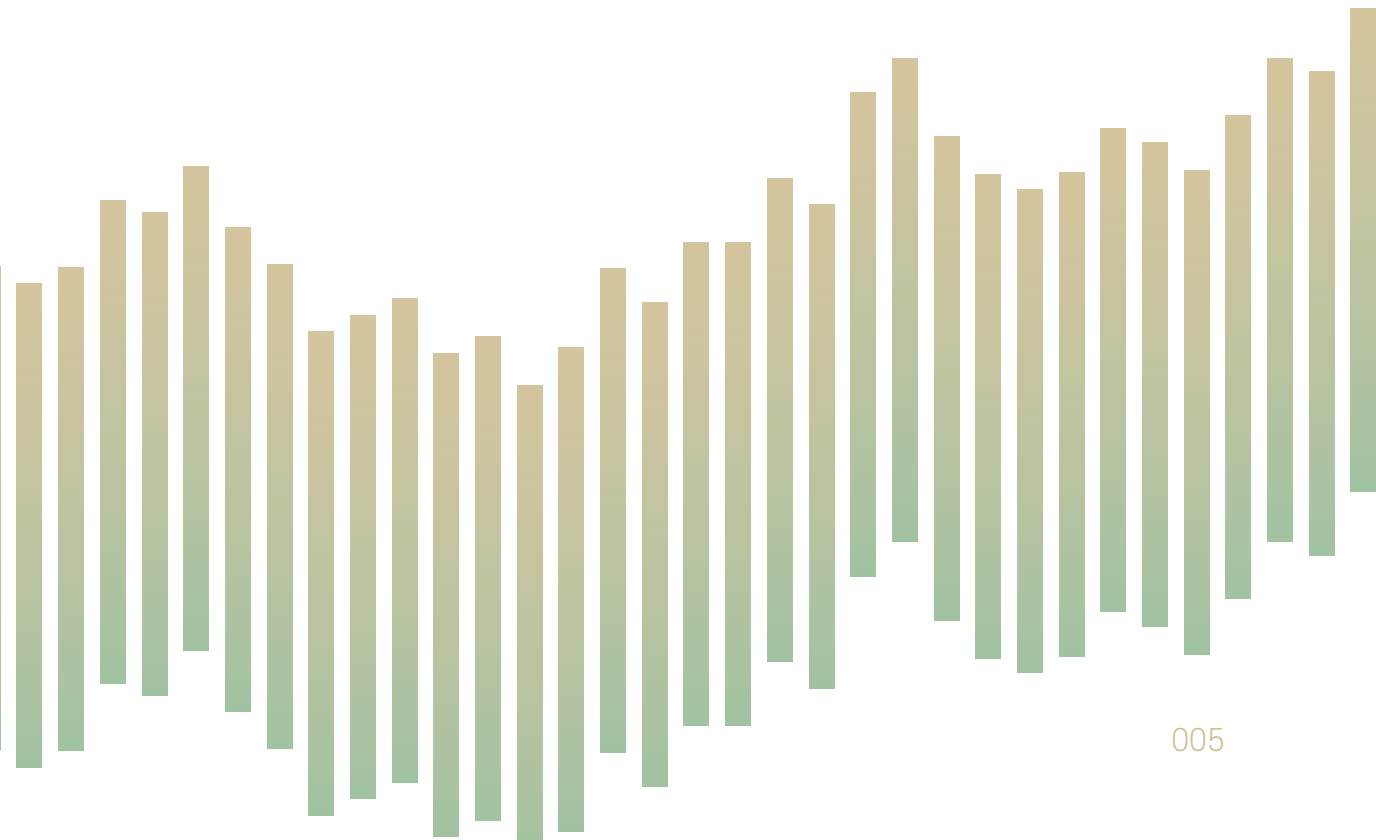
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	01. Singapore	015
	02. Thailand	025
	03. Malaysia	039
	04. Vietnam	051
	05. Philippines	066
	06. Korea	085



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Cases:  
Covid-19 and  
Social Economy

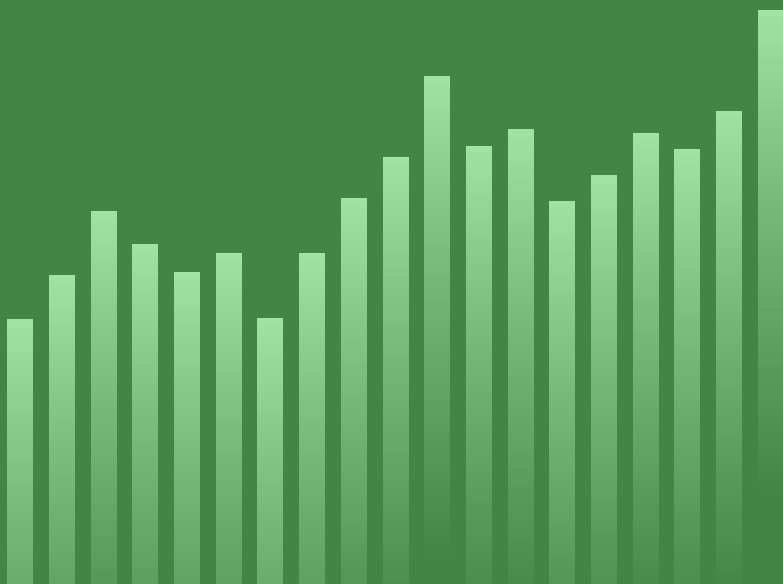
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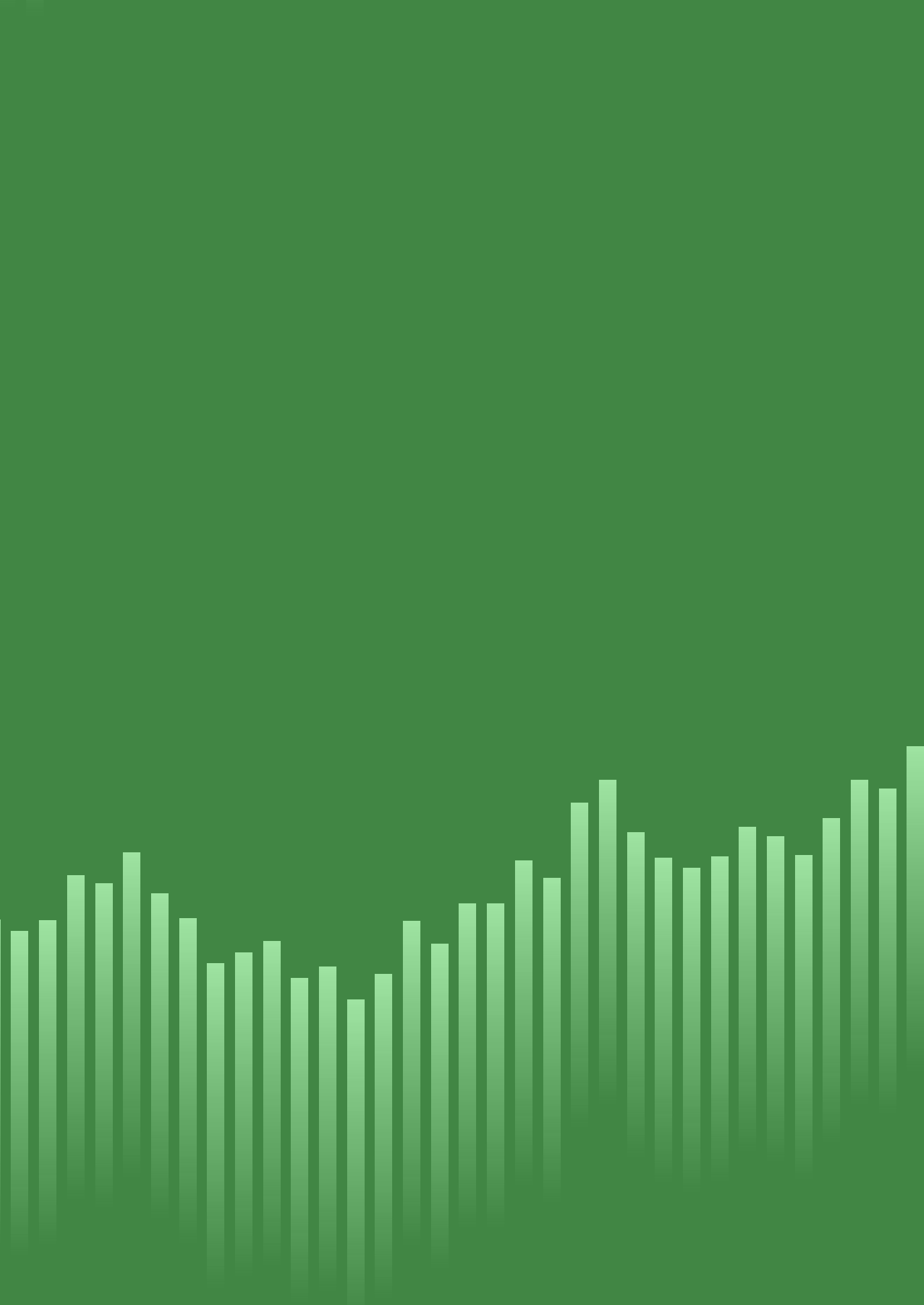


# 1

# Status of Social Economy by Country

00. General status	008
01. Singapore	015
02. Thailand	025
03. Malaysia	039
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06. Korea	085





# General Status

## 1. General Status

The general status presents each country's population and income, industrial distribution, major social issues, and national development strategies. The general status data was compiled using data collected by international organizations and authoritative expert groups, and the status information provided by each country was also used as a supplementary data.

### Population and Income

	Singapore	Thailand	Malaysia	Vietnam	Philippines	Korea
<b>Population*</b> (million)	5.9	69.8	32.4	97.3	109.6	51.3
<b>GNI</b> <b>per person</b> <b>(USD)**</b>	58,185	7,520	11,086	2,512	3,832	32,115

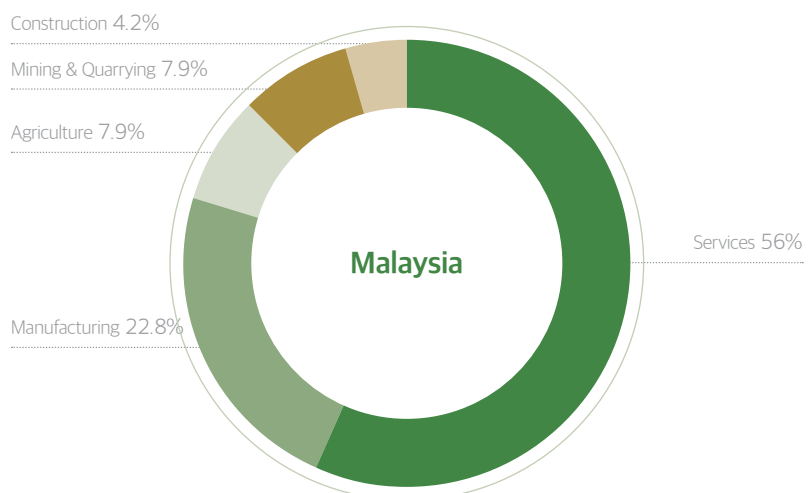
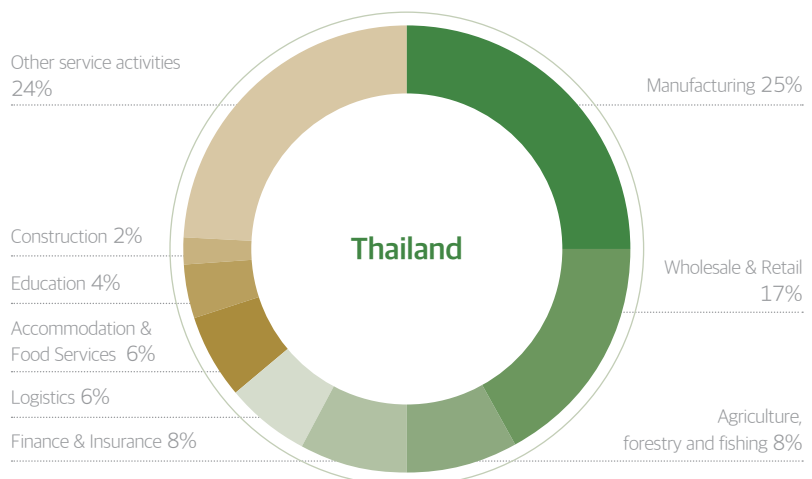
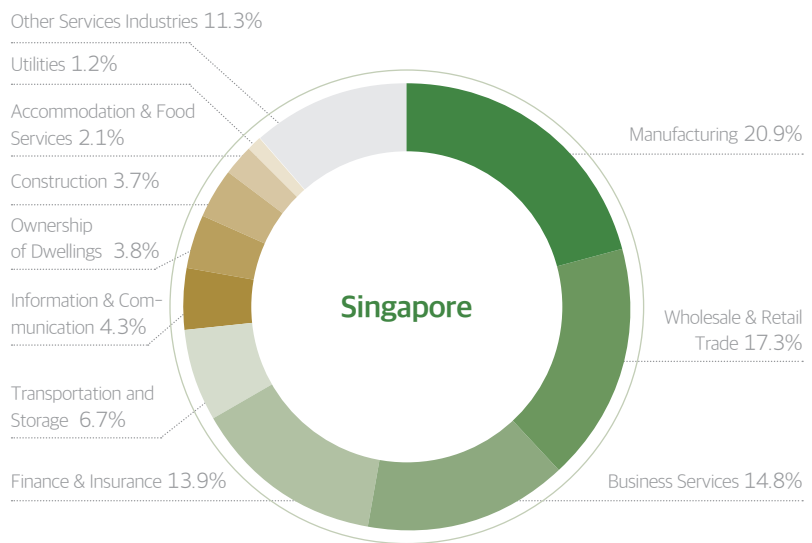
\* Source: UNFPA's 2020 Statistics

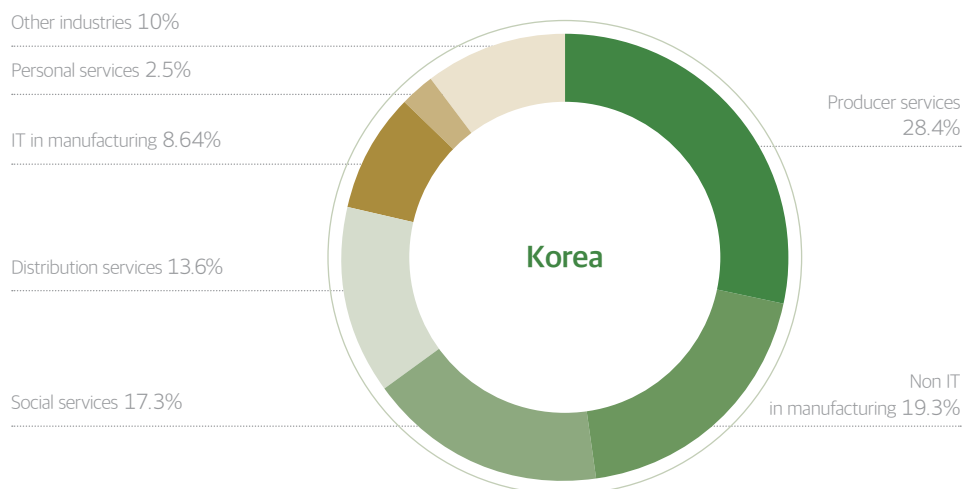
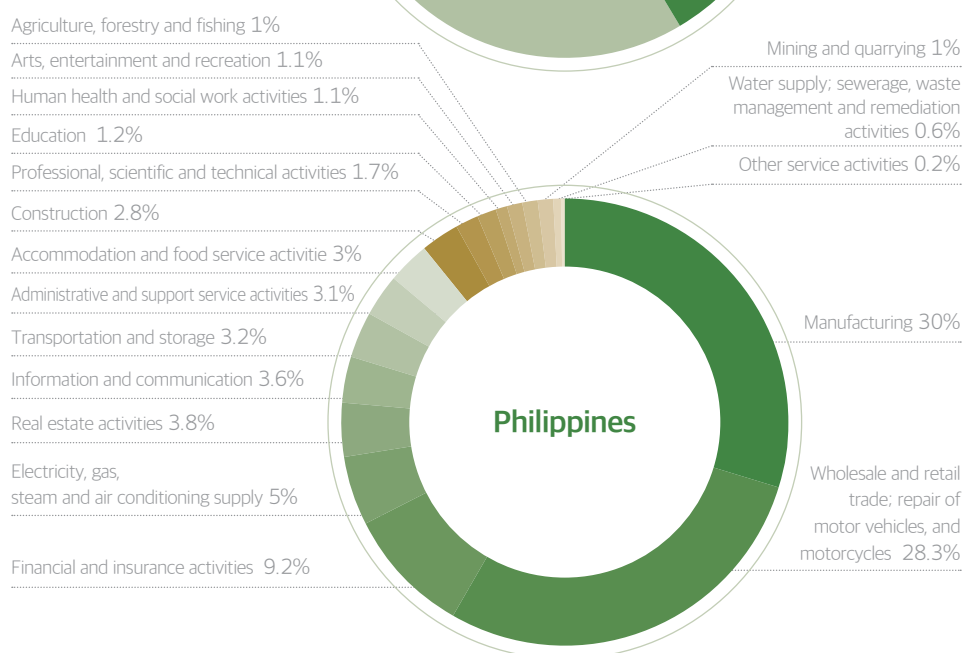
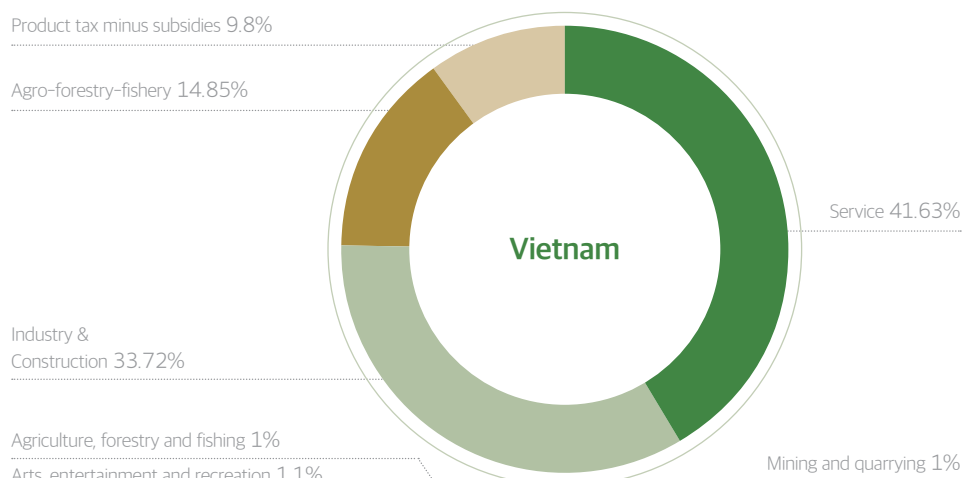
\*\* Source: KOSIS's 2019 Statistics based on data from WorldBank and UN



## GDP by Industry\*

\* Collected from the data submitted by country





## 2. Major Social Problems

Major social problems are replaced by each country's performance on the SDGs published in the "Sustainable Development Report 2020, The Sustainable Development Goals and Covid-19".

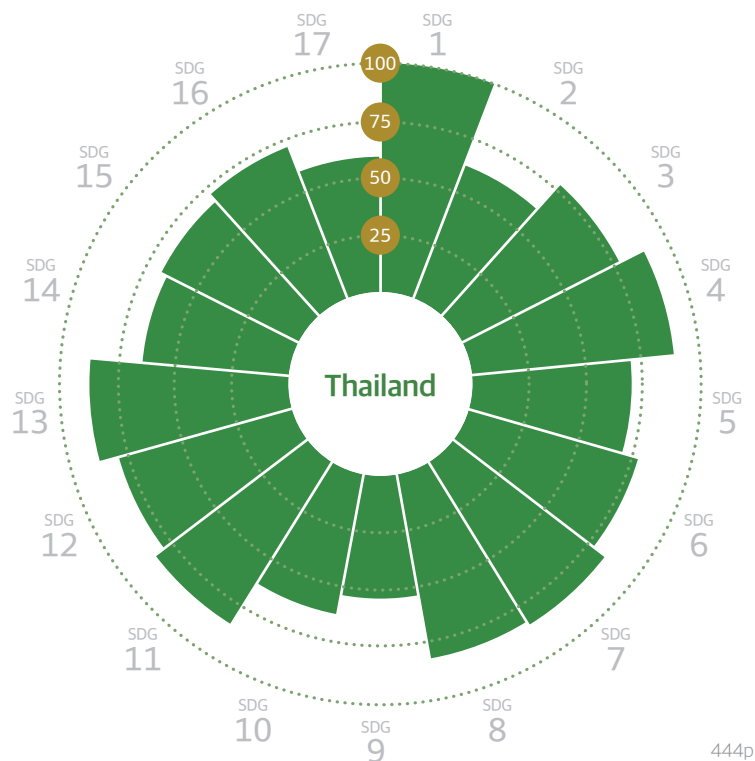
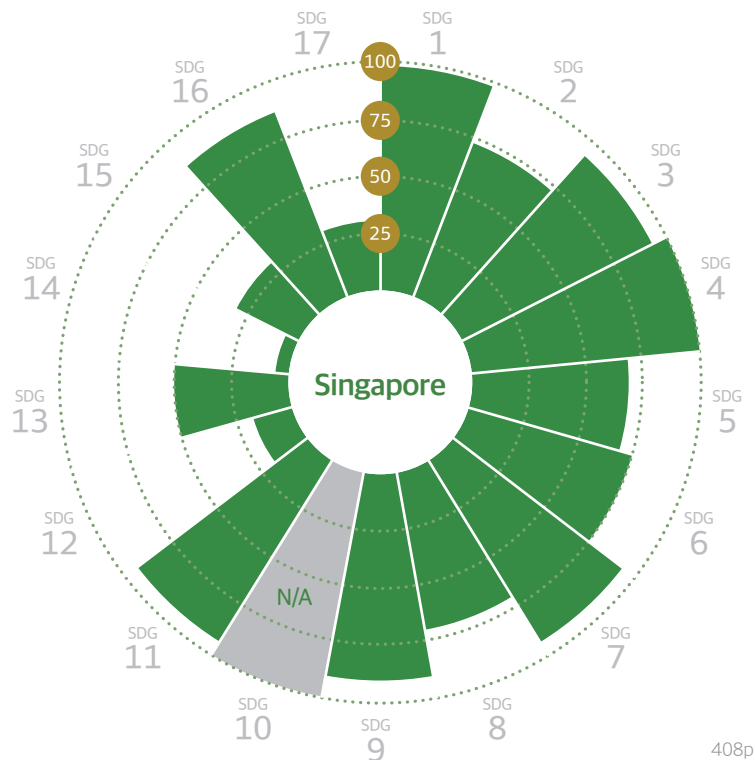
### SDG Goals

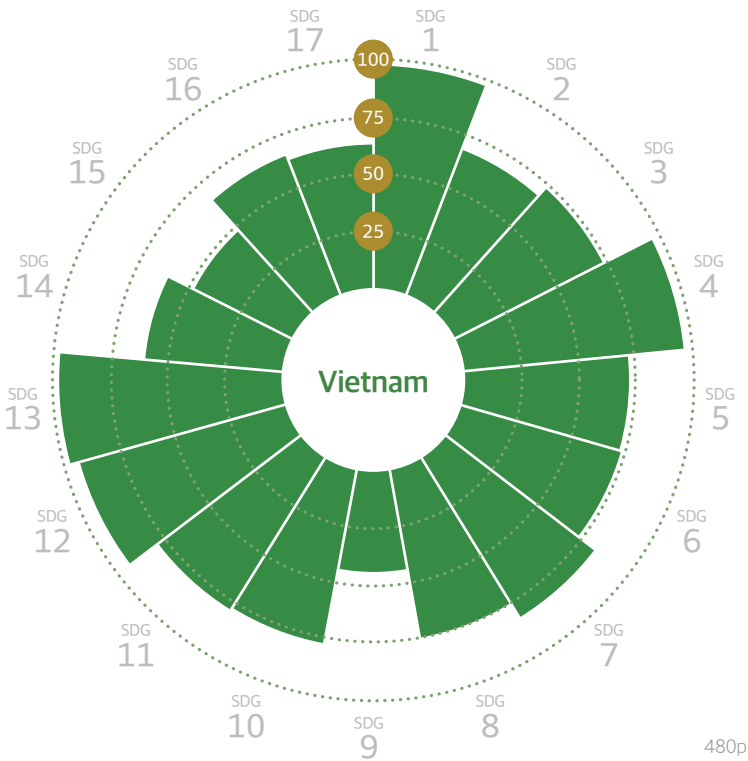
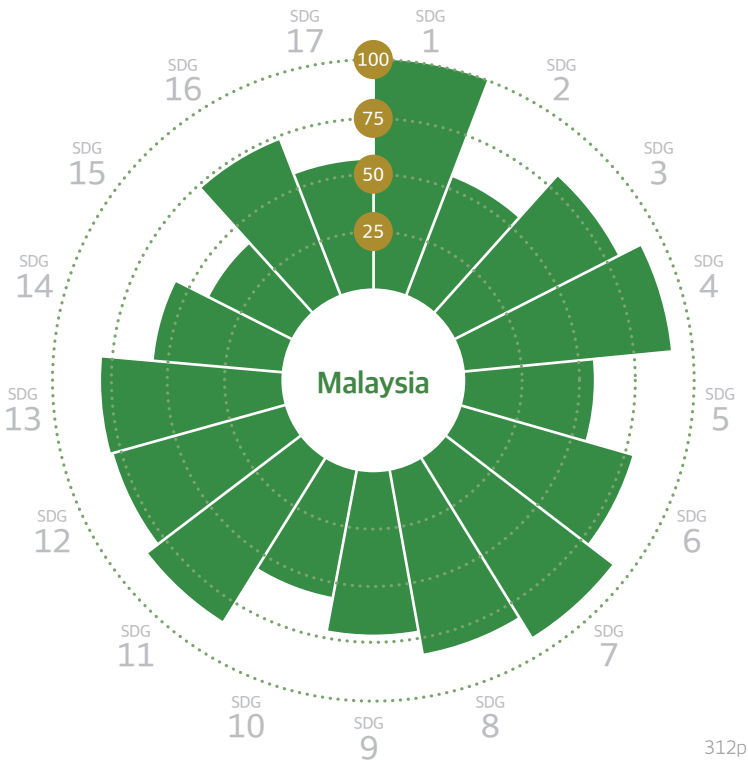
<b>SDG 1</b>	End poverty in all its forms everywhere
<b>SDG 2</b>	End hunger, achieve food security and improved nutrition, and promote sustainable agriculture
<b>SDG 3</b>	Ensure healthy lives and promote well-being for all at all ages
<b>SDG 4</b>	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
<b>SDG 5</b>	Achieve gender equality and empower all women and girls
<b>SDG 6</b>	Ensure availability and sustainable management of water and sanitation for all
<b>SDG 7</b>	Ensure access to affordable, reliable, sustainable and modern energy for all
<b>SDG 8</b>	Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all
<b>SDG 9</b>	Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation
<b>SDG 10</b>	Reduce inequality within and among countries
<b>SDG 11</b>	Make cities and human settlements inclusive, safe, resilient and sustainable
<b>SDG 12</b>	Ensure sustainable consumption and production patterns
<b>SDG 13</b>	Take urgent action to combat climate change and its impacts
<b>SDG 14</b>	Conserve and sustainably use the oceans, seas and marine resources for sustainable development
<b>SDG 15</b>	Protect, restore, and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation, and halt biodiversity loss
<b>SDG 16</b>	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable and inclusive institutions at all levels
<b>SDG 17</b>	Strengthen the means of implementation and revitalize the global partnership for sustainable development

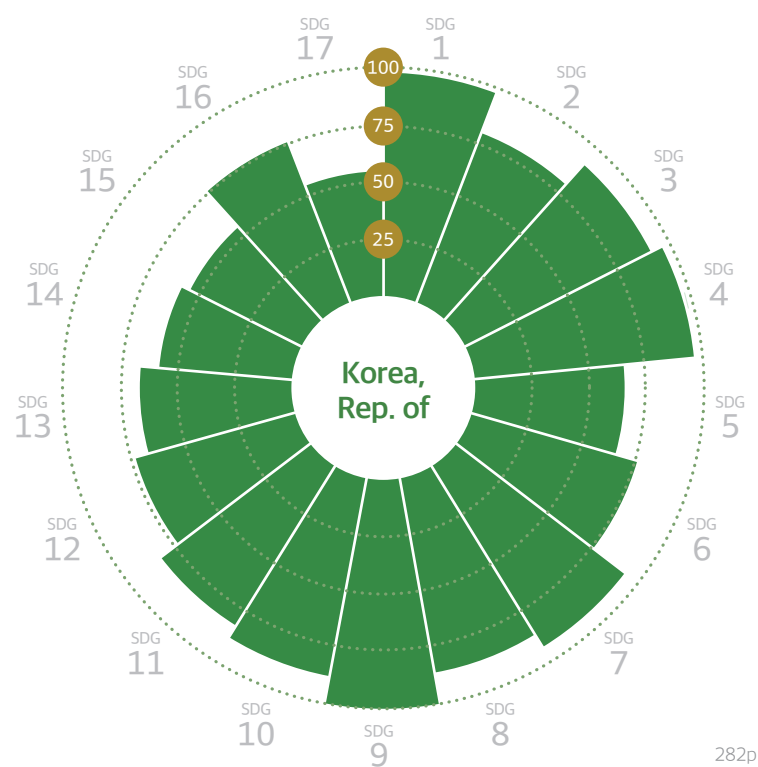
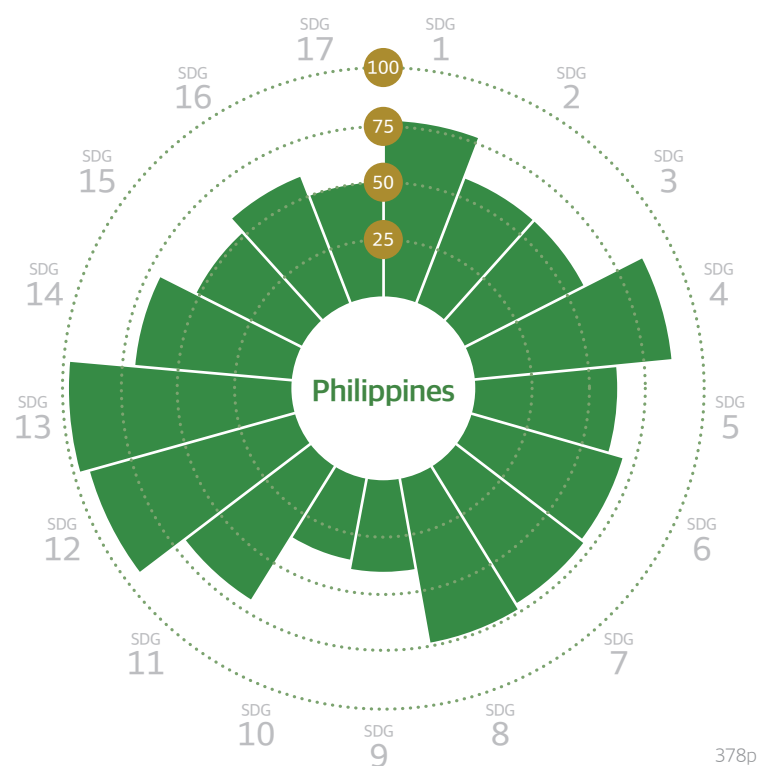
\* "Sustainable Development Report 2020, The Sustainable Development Goals and Covid-19", Cambridge University Press, 2020, 282p, 312p, 378p, 408p, 444p, 480p

Average performance by SDG

The score signifies a country's position between the worst (0) and the best or target (100) outcomes.







# 01

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# SINGAPORE

## 1. DETAILS

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### DISTRIBUTION OF POPULATION AND MAJOR SOCIAL PROBLEMS

Ageing population: 1 in 4 Singaporeans will be aged 65 and above by 2030; health-care costs associated with ageing population are expected to increase.

Social mobility: While Singapore's Gini coefficient – a measure of income inequality – fell to its lowest level in a decade in 2016, at 0.458, it remains one of the most unequal among developed societies.

### NATIONAL DEVELOPMENT STRATEGIES AND SOCIAL SERVICE SECTOR

The Social Service Sector Strategic Thrusts (4ST) is a five-year roadmap (published 2017) for the sector, co-developed by NCSS with stakeholders in the social service ecosystem – member organizations, service users, government, community, business leaders and civic-minded individuals.

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#### Key Thrust1 Empowered Individuals, Their Families and Communities

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Strategic Directions	<ul style="list-style-type: none"> <li>· Increased leadership of individuals, their families and communities to develop solutions</li> <li>· Issues owned by individuals, their families and communities</li> </ul>
-------------------------	---

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Outcomes	<ul style="list-style-type: none"> <li>· People are more self-reliant</li> <li>· People are able to self-advocate</li> <li>· People are connected and able to access resources and knowledge</li> </ul>
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- People are able to decide on services
- Increased participation of vulnerable population at workplace and community

### Key Thrust2 Effective Social Purpose Entities That Deliver Quality, Innovative and Sustainable Solutions

- |            |  |
|------------|--|
| Strategic  | · Improved organizational health of social purpose entities  |
| Directions | <ul style="list-style-type: none"> <li>· More innovative and sustainable solutions scaled to meet needs</li> <li>· Improved service user experience</li> <li>· Strengthened people, public and private sector collaboration for greater impact</li> </ul>  |
| Outcomes   | <ul style="list-style-type: none"> <li>· Solutions and needs are assessed to look at all aspects of a service user's life</li> <li>· Increased number of skilled and enterprising professionals in the sector</li> <li>· Innovative solutions developed</li> <li>· Increased capacity and capability of social purpose entities</li> </ul> |

### Key Thrust3 Caring, Collaborative and Impactful Social Service Ecosystem

- |            |  |
|------------|--|
| Strategic  | · Improved service user experience   |
| Directions | <ul style="list-style-type: none"> <li>· Strengthened people, public and private sector collaboration for greater impact</li> <li>· More vulnerable people accepted by and included in the people, public and private sectors</li> </ul>   |
| Outcomes   | <ul style="list-style-type: none"> <li>· Solutions and needs are assessed to look at all aspects of a service user's life</li> <li>· Innovative solutions developed</li> <li>· Needs are met seamlessly</li> <li>· Money, time and opportunities are given more and more meaningfully by people, public and private sectors</li> </ul> |

\* NCSS covers large social services sector and also includes the services of social economy enterprises. NCSS is an umbrella organization of more than 450 social services organizations in Singapore. It provides leadership and direction of social services, enhances the capacity of social service institutions and contributes to building strategic partnerships. Since 1992, it has taken over the roles of the former Singapore Council of Social Services (SCSS). Currently, more than 15,000 experts in social services are active in five major areas (disabled, child & youth, mental health, senior, and family).



## 2. SOCIAL ECONOMY ENTERPRISE OF SINGAPORE

---

### DEFINITION

A social enterprises (SE) is defined as a business entity set up with clear social goals and explicit management intent and resources allocated to fulfill social gaps and needs.

#### **You are a Social Enterprise if You:**

##### **Have the Following Characteristics**

- Generate majority of revenue from provision of goods & services
- Have a clear business plan to achieve financial sustainability & profitability
- Have clear social goals to address social needs & service gap (in an inclusive & non-discriminatory manner!)
- Clearly allocate resources to fulfill social outcomes
- Have management or founder(s) with a clear intention to make social goal(s) the core objective(s) of the business

##### **Support Persons in Need or at Risk**

Generally, a person in need or at risk refers to those who experience a deprivation in at least one of the following areas:

- Economical (e.g. low income, risk of poverty, social exclusion)
- Mental (e.g. dementia, depression, anxiety disorders, addictive behaviours)
- Social (e.g. social isolation and discrimination)
- Physical (e.g. mobility issues, inability to perform daily activities)

##### **Address a Social Need/Gap**

Your business should achieve at least one of the desired impact outcomes through the provision of:

- Employment opportunities
- Education
- Skill development
- Basic living needs
- Economic tools & services
- Healthcare or social care products & services
- Products & services to improve mental health & well-being
- Capacity building for organisations in the social sector
- Solutions and initiatives for environmental sustainability

## MAJOR TYPES OF SOCIAL ECONOMY ENTERPRISE

### In a Narrow Sense

<b>Social Enterprises</b>	A social enterprise is a business entity set up with clear social goals and explicit management intent and resources allocated to fulfill social gaps and needs.
<b>Family Foundations/ Philanthropic Offices</b>	<ul style="list-style-type: none"> <li>· A family foundation is a foundation that identifies itself as a family institution, either by calling itself a “family foundation” or by pursuing one of the characteristics mentioned below:</li> <li>· The founder(s)’s original philanthropic vision and intent are determining factors in current decision making, and this fidelity to the original donor(s) is highlighted by the foundation.</li> <li>· The foundation seeks to perpetuate the legacy of the founder(s) and the family.</li> <li>· The foundation’s mission and activities are rooted in identified family passions, interests, and values, perhaps including a commitment to the family’s home community or the community in which the family’s wealth was generated.</li> </ul>
<b>Impact Investors</b>	Impact investors are capital providers and include individuals and organizations such as foundations, family offices, high net worth individuals (HNWIs), pension funds, and development finance institutions (DFIs). Impact investments are investments made into companies, organizations, and funds with the intention to generate social and environmental impact alongside a range of financial returns from below market to market rate, depending on the investors’ strategic goals (GIIN, n.d.).

### In a Broad Sense

<b>Social Service Agencies</b>	Social service agencies are non-profit organisations that provide services to benefit the community. Social service agencies are typically set up as societies, companies limited by guarantee, or trusts.
<b>Charities</b>	Charities are not-for-profit organisations exclusively set up for charitable purposes and carry out activities to benefit the public.

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**Institutions of Public Character (IPC)** Institutions of Public Character (IPCs) are exempt or registered charities, which can issue tax deductible receipts for qualifying donations to donors.

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**STATUS OF  
SOCIAL ECONOMY  
ENTERPRISE**

**OUTLINE**

The social enterprise network consists of 358 social enterprises, with education and training taking the largest share in the field, followed by food and beverage, clothing, health and social services, and business support organizations. These social enterprises generate 80 million Singapore dollars in sales and create social impact such as job creation and skill development.

## The Social Enterprise Network Consists of...

**358** Social Enterprises

• 205 SE Members

• 153 Provisional Members

Resulting in  
**\*\$80 Million**

In overall sector size

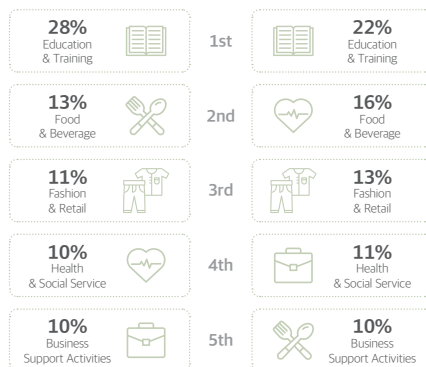
**BUILDING THE SECTOR**

**IMPACT CREATED**

### BUILDING THE SECTOR

2017

2018



That Directly Impacted  
**126,557 Lives**

That enabled  
**1,125 Social Organisations**  
to increase their impact

Additional Impact

**2,159**

new jobs created for beneficiaries



**\$3,236,534**  
worth of wages

**1,420**

training opportunities



**\$1,349,776**  
worth of training opportunities

**249,187**

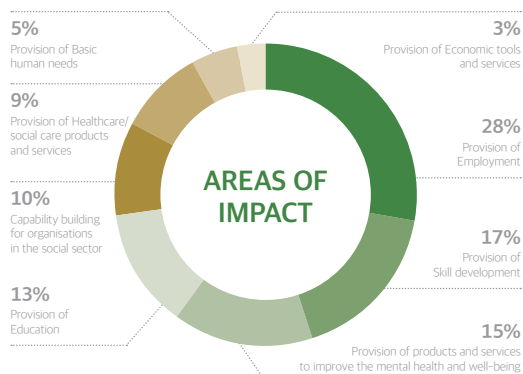
people reached in social issue awareness campaigns



Made possible through

**\$1,138,640**

worth of capability building products and services



Overall sector size in reflective of only 60% of raiSE's membership base

Note: Data shown above is calculated based on raiSE's members' primary impact areas only

## GOVERNMENT DEPARTMENTS ASSOCIATED WITH SOCIAL ECONOMY

GOVERNMENT DEPARTMENT	INSTITUTIONS
MINISTRY OF SOCIAL AND FAMILY DEVELOPMENT	Social Enterprises (SEs), Social Service Agencies (SSAs)
NATIONAL COUNCIL OF SOCIAL SERVICE	SSAs, Institutions of Public Character (IPCs)
MINISTRY OF COMMUNITY, CULTURE AND YOUTH	Family foundations, charities, IPCs

## SUPPORT AGENCIES AND ORGANIZATIONS

ECOSYSTEM PLAYERS	ORGANISATIONS
Professional & Support Service Providers	DBS BANK, PRO BONO SERVICES OFFICE, NUS ENTERPRISE
Capacity Builders	Impact Hub Singapore, INSEAD, AVPN, SIF
Network Providers	ASHOKA Singapore, BoP Hub, Impact Hub Singapore
Fund Providers	DBS Foundation, SG Enable, Tote Board
COMPETITION ORGANISERS	NUS Enterprise, Singtel Future Makers, SPRING Singapore

## SOCIAL FINANCE & IMPACT INVESTMENT

- As a thriving global financial hub with a liberal investment landscape, Singapore is well-poised to lead social investment in the region. Many development finance institutions and international nonprofit organisations run their regional operations from Singapore. It is also becoming a hub for impact funds such as Insitor Impact Asia Fund, Bamboo Capital, and Blue Orchard, which help investors channel resources to social businesses in the region. For example, from its base in Singapore, Insitor invests venture capital funds into early stage businesses looking to solve social issues and uplift low-income communities in Cambodia, India, Myanmar and Pakistan.
- The Monetary Authority of Singapore (MAS) has put several structures in place to encourage deeper ESG integration within financial institutions as well as to grow the suite of ESG products to support different investment strategies. In 2015, the Association of Banks in Singapore introduced guidelines for responsible financing, which require banks to assess their clients' ESG risks as part of credit evaluation, and the Singapore Exchange (SGX) has a "comply or explain" regime for sustainability reporting for listed companies. Increasingly, ESG is also being factored into insurance modeling, product

development, and underwriting processes.

- Since March 2017, the Investment Management Association of Singapore has been working with the World Wildlife Fund (WWF) to build industry capacity in ESG and sustainable investment. In June 2018, with MAS' support, WWF launched the Asia Sustainable Finance Initiative in Singapore, bringing together industry, government, the non-profit sector and academia to coordinate best practices in sustainable finance across the region. (<https://avpn.asia/blog/singapores-role-social-investing-asia>)

- raiSE is also an impact investor to Social Enterprises through the raiSE Impact Finance +. At raiSE, Social Enterprises use the Social Value Toolkit to measure and articulate their social impact. Social Enterprises are provided with the capital for growth and capability building support to expedite the growth process.

## NETWORKS OF SOCIAL ECONOMY ENTERPRISES

- raiSE is positioned at the center of the ecosystem as it plays 7 different roles in varying capacity to build the ecosystem. At the same time, it serves as a bridge to connect other organisations and agencies in the space to the Social Enterprises in the sector. It was officially launched in 2015 by former President of Singapore, Dr Tony Tan Keng Yam with the aim of developing Singapore's social enterprise sector.

- raiSE fosters new social enterprises by providing advisory services, programs, education, and resources as an ecosystem builder of social enterprises under the vision of sustainable social enterprises for Singapore's inclusive society. It also provides financial support and mentoring to help social enterprises grow and be sustainable. It is also responsible for linking with local social enterprises and intermediary agencies and sharing best practices with each other.

- As the value of an entity's existence shifts from commitment to shareholders to focus on stakeholders, raiSE helps companies explore new and innovative ways to contribute to the development of the social enterprise sector. It also helps Singapore's small- and medium-sized enterprises and multinationals seeking more sustainable social responsibility to make ESG goals and sustainability reporting plans a bigger part.

<b>Capacity Builders</b>	Incubators/accelerators, social entrepreneurship educators
<b>Fund Provider</b>	Impact Investors, Banks, Grantors
<b>Network Provider</b>	Social enterprise networks and umbrella organisations

<b>Policy Maker</b>	Governmental departments or institutions designing or implementing policy
<b>Research Institution</b>	Key Providers of knowledge and information
<b>Competition Organiser</b>	rganisations that design social enterprise competition
<b>Professional &amp; Support Service Provider</b>	Organisations that provide professional services, support and facilities

## RESEARCH INSTITUTION & UNIVERSITY

### National University of Singapore (NUS) Business School - Asia Centre for Social Entrepreneurship & Philanthropy (ACSEP)

ACSEP is focused on rigorous and multi-disciplinary research on social entrepreneurship and philanthropy in Asia. Through the support and collaboration with stakeholders, partners and friends, we hope to influence thinking and inspire social innovation that makes for a more vibrant, inclusive and equitable future for all.

ACSEP has a two-pronged approach:

- Education: ACSEP emphasizes and supports capacity building through undergraduate and graduate courses, executive education and practical learning experiences. This training aims to develop leaders in social enterprises, corporations, non-profits, as well as philanthropic organisations and individuals in Singapore and Asia. The centre also serves as a forum for experts and organisations to exchange ideas on best practices.
- Research: ACSEP creates knowledge through collaborative research on issues of interest to policymakers, non-profit organisations, for-profit leaders, grant makers, philanthropists and practitioners.

Through these efforts, ACSEP aims to advance the impactful practice of social entrepreneurship and philanthropy as well as provide the sector with cases and research related to Asian examples in this space. (<https://bschool.nus.edu.sg/acsep/focus-areas/page-size/>)

## PUBLIC AWARENESS ON SOCIAL ECONOMY

In 2016, raISE commissioned Asia Centre for Social Entrepreneurship and Philanthropy (ACSEP) to conduct a perception survey. Insights include awareness and understanding on social enterprises over the years as well as the motivations behind purchasing decisions.

Study findings at a glance:

- Fivefold jump in awareness on social enterprises between 2010 and 2016
- People in 31-35 age group have highest awareness
- Increase in buyers from 22% in 2010 to 35% in 2016
- Positive correlation between purchase of SEs' goods/services and higher awareness on social enterprises
- Buyers and ready buyers are motivated by social mission and uniqueness of products and services
- Non-buyers are looking for quality and price competitiveness
- Another public perception study has been conducted in 2020 and the results will be shared soon.

**INTRODUCTION  
OF SINGAPORE  
CENTRE  
FOR SOCIAL  
ENTERPRISE, raISE**

raISE was set up in 2015 to develop the Social Enterprise sector in Singapore through a cross-sector collaboration between the Ministry of Social and Family Development, National Council of Social Service, Social Enterprise Association and Tote Board to develop the social enterprise sector in Singapore.

As an ecosystem builder, raISE seed and nurture new social enterprises by providing advisory services, programmes, training, and resources. raISE enable 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.



# 02

## THAILAND

### 1. DETAILS

#### DISTRIBUTION OF POPULATION (2020)

Population ages 0~14	16.45%
Population ages 15-64	71.73%
population ages over 65	11.82%

Population growth rate: 0.22% (Comparing 2019 to 2018)

Distribution of Income (based on disposable income, 2017)

- Gini coefficient 0.45
- Quintile distribution ratio\* 10.16

#### MAJOR SOCIAL PROBLEMS\*

**Demographic transition:** The number of births has decreased since 1995 with three major changes in population structure:

- Decline in the child population
- Decline in the working-age population
- Increase in the elderly population

**Widening gap between the rich and the poor:** The quintile distribution ratio is about 10, indicating that the top 20% of the richest people earn 10 times higher than 20% of the poorest people.

**Education:** As students were forced to learn through another platform due to COVID-19, it became evident that poor students still face many limitations.

**Unemployment:** Economic outlook, technology development and change in population structure are transforming the labour market into one that requires less workforce, making unemployment more prominent.

**Household debt:** It grew by more than 3.9% in the second quarter of 2020, and the share of household debt to GDP was 80%, the highest in four years.

\* From the research paper of Office of the National Economic and Social Development Council, Social Situation and Outlook Quarter 2/2563

## NATIONAL DEVELOPMENT STRATEGIES AND SOCIAL SERVICE SECTOR

### Developing and strengthening human capital

- Develop Thai people of all ages in a multidimensional manner to foster good, skillful and quality citizens.
- Improve learning processes to accommodate changes in the 21st century by encouraging lifelong learning and developing learning skills.
- Promote conditions that encourage human capacity development including enhancing household well-being and happiness, and developing out-of-school skills for youth.

### Mitigating inequality and creating multidimensional justice

- Adjust local economic structure
- Reform tax system and advocate for consumer protection
- Distribute land ownership and resource access on an equitable basis
- Increase productivity and creative Thai labour force operating in safe working environment
- Conduct targeted social investment to provide assistance to poor and underprivileged people
- Promote equitable access to public health service and education
- Develop equitable and inclusive access to the justice system

### Expanding economic, social, and technological hubs to other parts of the country

- Develop economic, social, and technological hubs in other regions of the country
- Design urban planning system to promote safety and quality of life as well as accommodate aging society and urban development trends
- Promote area-based development of knowledge, technology and innovation
- Develop skilled local labour force

## 2. SOCIAL ECONOMY ENTERPRISE OF THAILAND

### DEFINITION

The term “social economy” is not a generally used expression in Thailand. Instead, the term “civil society” is often used to refer to the “third sector,” meaning civil-initiated or non-profit organizations.

“Social economy”, used by policy makers, appeared in the report of the National Economic Reform Committee launched in 2016. The report did not provide an explicit definition but explained that “social economy has a significant principle, which is that economic development is considered a tool, not the goal in itself. The report elaborated that the real goal is to ensure better quality of lives for everyone in the society and address the triple bottom line, and that economic development should play its role in light of “creative capitalism,” alongside social development in the form of “social entrepreneurship.”

This model of capitalism exercised through social impact businesses, social businesses or social enterprises is widely acceptable by different stakeholders due to its collaborative nature rather than confrontation.

### MAJOR TYPES OF SOCIAL ECONOMY ENTERPRISE

Non-profit organizations, which can be divided into foundations and associations

Cooperatives

Community enterprises

Social enterprises

### STATUS OF SOCIAL ECONOMY ENTERPRISE

Major Types	Numbers	Products / Services	Income
Non-profit organization	84,099	Religious Organization 57%, Social Welfare Service Organization 31%, Business and Trade Association 4%, Cremation Welfare Association 4%, Employer Association, Labor Association, Labor Union, Government Enterprise Office Association 2%, Education Organization 1%, International Organization 1%	4,020 million USD in 2017

<b>Cooperative</b>	6,785	<Product> Agriculture, Animal Husbandry, Fisheries 53%	20,990 million USD in 2019
<b>Community Enterprise</b>	130,057	<Product> Agriculture, Animal Husbandry, Fisheries 49%, Food Processing 10%, Agricultural Inputs 7%, Craft 6%, Textile 6%, Beverage 2%, Medicinal Herb 2%, Others 5%	N/A
		<Service> Saving Group 3%, Retail 2%, Tourism 1%, Health 1%, Others 6%	
<b>Social Enterprise</b>	133 officially registered 1,000 approx.	<Product> Agriculture, Animal Husbandry, Fisheries 20%, Arts & Craft 12%, Energy, Clean Technology & Environment 11%, Food & Nutrition 6%	N/A
		<Service> Education 15%, Health & Social Care 13%, Tourism 7%, Advertising, Graphic Design 5%, Livelihood & Employment Creation 3, Financial Services 2%, Movies, Music, Video & Photography, Publication, and Gaming 2%, Architecture & Interior design 2%, ICT or any other service for personal purpose 2, Performing Arts 1%, Mobility & Transport 1%, Fashion 1%, Others 15%	

\*Data from the Thailand's Social Enterprise State of the Field Survey 2020 conducted by SE Thailand and TDRI, commissioned by the British Council. The final report will be launched by the end of 2020.

## POLICIES, INSTITUTIONS, AND GOVERNMENT DEPARTMENT ASSOCIATED WITH SOCIAL ECONOMY

There is no single government unit responsible for social economy as a whole. For the four types of social economy enterprises, there are different laws and government bodies that act as the registrars, regulators and promoters of each type of enterprise.

Major Types	Law	Government Department	Legal and Governmental Support
<b>Non-profit organization</b>	Civil and Commercial Code	Department of Provincial Administration,	Tax benefit: Foundations that have operated for 3 years with no revenue from trading of goods

		Ministry of Internal Affairs acts as the registrar and regulator	and services can apply for the charity organization status, which allows people who donate to such organizations to get tax deduction.
<b>Cooperative</b>	Cooperative Act	Cooperative Promotion Department, Ministry of Agriculture and Cooperatives acts as the registrar, regulator and promoter	<ul style="list-style-type: none"> <li>· Raise public awareness on cooperative</li> <li>· Cooperative development</li> <li>· Support on finance, ICT, technology and innovation</li> </ul>
<b>Community Enterprise</b>	Community Enterprise Promotion Act	Community Enterprise Promotion Division, Department of Agricultural Extension, Ministry of Agriculture and Cooperatives acts as the registrar, regulator and promoter	<ul style="list-style-type: none"> <li>· policy support</li> <li>· research on community enterprise development</li> <li>· capacity building</li> <li>· product/service development</li> </ul>
<b>Social Enterprise</b>	Social Enterprise Promotion Act	Social Enterprise Promotion Office, Office of the Prime Minister acts as the registrar, regulator and promoter	<ul style="list-style-type: none"> <li>· Advise, train and promote social enterprises</li> <li>· Ensure promotional measures for pre-social enterprises</li> <li>· Act as the centre of information and distribution of information on social enterprises</li> <li>· Manage the Social Enterprise Promotion Fund, giving loans and providing grants for social enterprises and SE supporters</li> </ul>

**SUPPORT AGENCIES/  
ORGANIZATIONS  
(Incubators,  
accelerators, and  
support programmes)**

**Banpu Champion for Change by Banpu PCL. and ChangeFusion**

- A social enterprise programme started in 2011 with the aim to promote the development of sustainable businesses by entrepreneurs in Thailand. The nine-month programme targets those who have preliminary insights into their customers and beneficiaries and have already started testing their ideas. The programme provides them with workshop training, coaching as well as funding up to 330,000 Baht to help transform their ideas into viable social businesses. On average, ten social enterprises had been incubated annually, which came from a wide range of impact areas such as agriculture, community development, education, healthcare, etc.

**BKIND Mutual Fund**

- A mutual fund that invests in Environmental, Social and Corporate Governance listed companies and contributes 40 per cent of its management fee towards grants for impact projects, including those delivered by social enterprises.

**National Innovation Agency (NIA)**

- A public organisation that promotes innovation, including social innovation. It provides supports for social enterprises that demonstrate social innovation through various services:
  - medium-sized grants (300,000 Baht each) for social entrepreneurs, youth or local public administrative office to turn ideas into prototypes
  - large-sized grants (not over 1.5 million Baht each) for social innovation projects
  - subsidised interest for bank loans for growth-stage enterprises (not over 3 million Baht) that demonstrate social innovation
- The NIA also provides in-kind support including social impact assessment and a database of social innovation for interested entrepreneurs to use for replication.

**School of Changemakers (SOC)**

- An intermediary with initiatives to build support systems for changemakers in Thailand. SOC provides a seven-month incubation programme for changemakers who want to start a social project or enterprise with small seed grants, a coach, tools and access to community. SOC also supports other organisations and universities to build their own social incubation programmes. Besides that, SOC runs a network of universities and schools that adjust their curriculum and extra-curriculum to better nurture the future workforce via changemaking experiences.

**SEED**

- Direct support for social enterprises:
  - SEED Awards – an acceleration programme organised every two years, offering the

winner one-year development support through the SEED enterprise toolkit and grant of around 10,000 euros; and the runners-up with six-month development support, and a 1,500-euro grant.

- incubation programmes for starters and replicators Ecosystem support
- Business Development Service+ - a training of trainers, offering providers of enterprise support access to toolkits, case studies and further valuable insights into eco-inclusive enterprise success.
- Practitioner Labs for Policy Prototyping and Climate Finance

### **SE Thailand**

- A membership-based organisation that supports SE members through its partnership with corporates in delivering services including
  - capacity building - trainings and workshops
  - marketplace - space provision for fairs to exhibit and sell SE services and products, special projects such as the Happy Gift 2021 project
  - capital - special-conditioned loans for SEs

### **Snowball Incubation Programme by Rise Impact**

- An incubation programme to support seed and early-stage social enterprises to find the right impact and business model that fits with their mission, by offering mentorship, entrepreneur skill building, networking and funding opportunities.

### **Stock Exchange of Thailand (SET)**

- SET Social Impact Platform, an exchange that contributes to SE ecosystem platform development.
  - a digital platform that list impact creators (social enterprises) with impact concerning businesses (private sector) to create visibility among the two sides and open opportunities for co-creation and business matching Capacity building
  - SE 101 - a course for the public interested in social entrepreneurship, offering online and offline and also in partnership with universities under SE101@ University
  - SE 102 - a course for social entrepreneurs who have ideas to start their projects
  - SET Social Impact Gym - an acceleration programme with executives of listed companies contributing as coaches; the programme ends with a speech day that matches social enterprises who need support with listed companies

### **Taejai.com**

- A crowdfunding social enterprise that connects impact projects to charitable backers and donors. It raised over 150 million Baht through more than 10,000 backers. Many social enterprises have used Taejai to raise fund for their projects, especially in piloting

new products and services.

### **Thai Health Promotion Fund**

- A governmental fund that offers grant to preventive health projects.

### **UNDP**

- The UNDP is the leading United Nations organisation fighting to end the injustice of poverty, inequality, and climate change. Working with its broad network of experts and partners in 170 countries, it helps nations to build integrated, lasting solutions for people and planet. In Thailand, UNDP seeks to strengthen the social innovation and impact investment ecosystem by working closely with various stakeholders including the government, private sector, and civil society to create the policy and environment conducive to social entrepreneurship. These include, but are not limited to, raising awareness about the concept of sustainability and social entrepreneurship, facilitating communication and collaborative efforts among different actors towards achieving SDGs via entrepreneurial and innovative solutions, developing the social economy at the local level, and exploring innovative financial structures to diversify the resourcing and implementation of the SDGs. Flagship initiatives include Youth Co:Lab, SDG Impact Accelerator programme, Thailand Social Innovation Platform, etc.

### **Win-Win War by C asean**

- A televised reality show competition initiated in 2019. The programme recruits and incubates social entrepreneurs while raising awareness of the social enterprise concept to the public at large. Final round contenders receive tailored business coaching, and the winner receives a grant of 2 million Baht as well as ongoing business advice. The programme is going into its third year, with the aim to expand its audience base to ASEAN countries through online streaming.

## **SOCIAL FINANCE & IMPACT INVESTMENT**

- Impact investment in Thailand is still limited to a small circle of angel investors. Most debt and equity investors focus on financial return and investors focusing all or part of their investment on social or blended return are rare. The list of impact investors in this table are those that explicitly declare that they invest in social enterprises or impact organisations. On another note, there is vibrant investment scene for startups in the country, providing an opportunity to raise awareness for such investors to contribute part of their portfolio for investment on SEs.

### **ADB Ventures**

- A venture capital fund providing investments and technical assistance to highly scal-



able technology business that deliver impact according to the SDGs.

### ChangeVentures

- An impact consulting and social investment advisory firm that connects impact enterprises to supporters and investors. It also has a small investment arm to invest directly into impact enterprises via equity and short-term loans.

### Government Savings Bank (GSB)

- In December 2020, GSB launched a special- loan scheme targeting SEs that want to overcome limited access to debt financing. The preferential conditions include less restrictive criteria on previous business performance, lower interest rate and lower value of collateral required. SEs have most often stated the collateral requirement as an obstacle in securing debt financing from financial institutions.

### Impact Collective (IC)

- An acceleration programme for impact startups in Asia. IC invests in, supports, and connects startups to accelerate their positive impact. As of September 2020 which was the first year of its operation, 100 impact organisations in Asia were listed on the programme including two SEs from Thailand.

## NETWORKS OF SOCIAL ECONOMY ENTERPRISES

- Non-profit Organization: N/A
- Cooperative: 144 Cooperative Association
- Community Enterprise: N/A
- Social Enterprise: Social Enterprise Thailand Association

## RESEARCH INSTITUTION & UNIVERSITY

### Research institutes and support organisations

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#### Aspen Network of Development Entre- preneurs (ANDE)

thriving entrepreneurial ecosystem for small and growing businesses. It provides support to social enterprises through knowledge-sharing events and research titled “Entrepreneurial Ecosystem Snapshots” that provides entrepreneur supporters with an overview of the ecosystem, its gaps and opportunities, which help supporters better design and implement their programmes.

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#### Thailand Development Research Institute (TDRI)

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## Higher Education Institutes Offering Courses on Social Entrepreneurship

### Aspen Network of Development Entrepreneurs (ANDE)

A membership-based organisation that aims to create a thriving entrepreneurial ecosystem for Small and Growing Businesses (SGBs). ANDE network provides support to Entrepreneurs Support Organisations (ESOs) and social enterprises through knowledge sharing events and research under the “Entrepreneurial Ecosystem Snapshots” that provide entrepreneur supporters with an overview of the ecosystem, its gaps and opportunities which help supporters to better design and implement their programmes.

### Bangkok University (Bangkok) (BUSEM)

The School of Entrepreneurship and Management offers both bachelor’s and master’s degrees in entrepreneurship, with social entrepreneurship as one of the core modules. The School admits around 350 students and 50 students per year for the bachelor’s and master’s degrees respectively. BUSEM is preparing all the entrepreneurial students to have actual practices in the real business environment.

### British Council

British Council promotes the development of social enterprise as a means of addressing entrenched social and environmental problems and delivering positive change to our communities and societies. The British Council’s work draws on UK and global experience and is delivered across more than 30 countries with local and international partners. Together, we:

- provide social entrepreneurs with access to training, mentoring and funding opportunities
- promote social enterprise education in schools and universities
- convene policy dialogues, conduct research and organise study tours to share knowledge and best practice in creating an enabling environment for social enterprise
- deliver international development actions that focus on social enterprise

It is a systemic approach designed to help foster a more sustainable, inclusive and prosperous future and build collaboration, opportunities and trust between the UK and other countries.

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**Payap University  
(Chiang Mai)**

Bachelor of Social Entrepreneurship, Faculty of Humanities and Social Sciences

- Newly created course in the academic year 2019-2020, with three students in the first batch. There are currently 15 applications for 2020-2021.

Centre for Social Impact (CSI)

- The Centre was established in 2019, bringing expertise from cross-faculties and acting as a hub for social entrepreneurship in Chiang Mai.
  - The CSI mission is to provide advocacy, training, consulting, information resources and academic services for policymakers, practitioners, funders, and the academic community in Thailand and the wider ASEAN community, on a sustainable social enterprise model of self-sufficiency. With this, CSI's goal is to create positive transformational social impact for the communities it serves.
  - In 2020, CSI implemented projects in Sustainable Tourism, Social Entrepreneurship, Community Organisational Development, Education Internationalisation and Green Entrepreneurship, working with partners across 16 countries in Asia and Europe.
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**Srinakharinwirot  
University, Faculty  
of Business  
Administration for  
Society (Bangkok)**

Established in 2018, the Faculty was leveraged from the Business Administration Department, Faculty of Social Sciences. The courses it offers include

- Bachelor of Business Administration programme in Social Enterprise - a four-year course of which the core module includes accounting, marketing, administration, economics, commercial law, social enterprise, social-enterprise-oriented research and social innovation. The course also incorporates a compulsory internship and business project. The first batch of 41 students has grown to around 130 in the second year.
  - Master's degree - there isn't a specific programme on social entrepreneurship, but social enterprise as a subject is provided for students.
  - Social Entrepreneurship Programme - a short course for the public (48 hours in one month).
-

**TDRI**

A public policy research institute that provides technical analysis to various public agencies. The aim is to help formulate policies to support long-term economic and social development in Thailand. TDRI has conducted several studies regarding SE ecosystem including two projects commissioned by the Thai Health Promotion Foundation, namely:

- Social investment for sustainable development in Thailand
- Knowledge management and academic support plan for vulnerable population

**Thammasat University,  
The School of Global  
Studies**

The School of Global Studies offers a Bachelor of Arts in Global Studies and Social Entrepreneurship. It is a four-year degree with an innovative structure that lays the foundation on local development and globalisation during the first two years. The third year focuses on managing social innovation and social enterprises, followed by the senior project in the last year.

The School also offers a Master of Arts in Social Innovation and Sustainability. The programme has the mission of developing a vibrant community of practitioners and researchers in Southeast Asia with the knowledge, mindset and skills to tackle the region's most pressing Sustainable Development Goal challenges. Through a dynamically designed programme, students learn to identify, research and understand global and regional social, economic and environmental challenges. They develop skills in design thinking and other research methods to understand problems and create solutions aligned with the local social and cultural context. Students gain skills in working with a diverse range of stakeholders and measuring the social and environmental impact of innovations, plus organisational activities to understand how to manage organisations sustainably.

**Thammasat University,  
Puey Ungphakorn  
School of Development  
Studies (Pathumthani)**

The School offers three degrees:

- Bachelor of Arts Programme in Creative Development
- a four-year degree comprising of three modules: contemporary community development, volunteer work management; corporate social responsibility, and

social enterprise development. For the social enterprise development module, the subjects concentrate on all skills needed to run a social enterprise such as business model, social finance and social impact assessment. The degree began in 2016 and there were 91 graduates from the first batch in 2020. There are currently around 300 students studying for this degree.

- Graduate Diploma (Graduate Volunteer) – a one-year programme comprising three months in classroom lectures, seven months in field practice in community work and two months for a special report.
- Masters of Arts Programme in Creative Development – this was previously the Masters of Arts in Rural Studies, with added subjects such as social innovation, social impact assessment in response to the change in rural economic and social landscape.

### Higher Education Institutes Offering Courses on Social Work

<b>Thammasat University</b>	Faculty of Social Work Programme offers Bachelor of Social Work.
<b>Huachiew Chalermprakiet University</b>	<p>Faculty of Social Work and Social Welfare offers</p> <ul style="list-style-type: none"> <li>· Bachelor of Social Work with optional major in Disaster Social Work, Medical Social Work, Family, and Justice</li> <li>· Master of Social Work (Social Welfare Administration)</li> <li>· Doctor of Philosophy in Social Welfare Administration</li> </ul>

### PUBLIC AWARENESS ON SOCIAL ECONOMY

- There is no study available. The writer's perception is that the public understanding on NPO, cooperative and community enterprise is quite clear since these types of enterprises were introduced many decades ago.
- The newly promoted concept of social enterprise is still unclear to the public. It is sometimes understood as CSR or NPOs starting to generate profit from trading of goods and services.

## INTRODUCTION OF SOCIAL ENTERPRISE THAILAND ASSOCIATION

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### Mission

- CONNECT : Build a network of social enterprises and promote collaboration with other sectors to enhance social and environmental impact.
- COMMUNICATE : Communicate and create practical knowledge on social enterprises, while raising awareness among the general public.
- CATALYZE : Advocate policies that contribute to solving social problems and to social development through events, knowledge sharing, collaboration etc.

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### Member

- Since its establishment in 2019, it has acquired 60 members of which 33 are social enterprises and 27 are individuals running social projects and wishing to set up a social enterprise.

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### Main functions and programs

- Capacity-building through talks, workshops and trainings offered by SE Thailand and its partners
  - Networking opportunities through events and matchmaking
  - Happy Gift Project: bundle products from SE members to be sold to network of corporations as corporate gifts
  - Research: A study on the state of the field is underway in partnership with the Thailand Development Research Institute and British Council
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# 03

## MALAYSIA

### 1. DETAILS

#### DISTRIBUTION OF POPULATION

Population ages 0~14	23.3%
Population ages 15-64	69.7%
Population ages over 65	7%

- The Gini coefficient based on gross income is 0.407 (2019) and the Gini coefficient based on disposable income is 0.393 (2019).
- The incidence of absolute poverty throughout the country improved from 7.6% (2016) to 5.6% (2019), and the incidence of absolute poverty in urban and rural areas also decreased to 3.8% and 12.4%, respectively.

[Source: Department of Statistics Malaysia]

#### SOCIAL DEVELOPMENT PROGRESS & CHALLENGES

- Malaysia has started its journey on sustainable development long since the introduction of the New Economic Policy (NEP) in 1970 with the objective to eradicate poverty and to restructure the society. The NEP was then succeeded by the National Development Policy in 1991.
- The Malaysian government has formulated various plans to support and implement the 2030 Agenda to pursue sustainable development. In 2009, the New Economic

Model (NEM) was introduced based on three pillars: inclusiveness, sustainability, and high income. All three pillars mirrored the three elements of the SDGs: social, environment, and economy. All respective pillars and elements serve as a map for Malaysia to embark on the Eleventh Malaysia Plan that aims to anchor growth on people.

- The Malaysian government's commitment to sustainable development has been aligned with the 11th Malaysia Plan strategies and initiatives. The recent mid-term review of the 11th Malaysia Plan showed that the Malaysian economy performed well despite facing a volatile global environment.
- In the recent SDG Report 2020 \*published by Cambridge University Press, Malaysia ranked 60th out of 166 countries, up by 8 levels after ranked 68th in 2019. The diagram below shows the assessment of Malaysia's 2020 SDG performance.

## Current Assessment

Click on a goal to view more information



[SOURCE: SDG REPORT 2020]

\* Sustainable Development Report 2020, the sustainable development goals and Covid-19, Cambridge University Press, 2020

- However, referring to the Malaysia 2020 SDG assessment report, there are few indicators of where the challenges remain. Some of the bigger challenges are food related which include the prevalence of malnutrition and obesity. Malaysia has one of the



highest rate of obesity and overweight among Asian countries with 64% of males and 65% of the female population are either obese or overweight as reported by the World Health Organization during World Health Day 2019.

- The Malaysian government is doing its best to overcome this issue. One such initiative is PekaB40, which provides the poor citizens access to private general practitioners. This will increase access to good healthcare services for all Malaysians.

## NATIONAL DEVELOPMENT STRATEGIES

<b>Shared Prosperity Vision 2030</b>	A commitment to make Malaysia a nation that achieves sustainable growth along with fair and equitable distribution, across income groups, ethnicities, regions, and supply chains.
<b>Dasar Keusahawanan Negara 2030</b>	DKN 2030 is intended to be the nucleus and catalyst to drive a culture of entrepreneurship in the country, with the ultimate objective of creating a holistic and conducive entrepreneurial ecosystem to support an inclusive, balanced, and sustainable socio-economic agenda.
<b>Twelfth Malaysia Plan 2021-2025</b>	A post-2020 development plan with a clear strategic direction will be formulated to set the way forward for the national development agenda over the next decade along with the implementation framework.  The plan will be aligned with the shared prosperity initiative encompassing three dimensions, namely economic empowerment, environmental sustainability, and social re-engineering.
<b>Eleventh Malaysia Plan 2016-2020</b>	Malaysia's latest five-year development plan, which outlines strategies to support the country's vision of being a high-income economy. Social innovation is highlighted as a key strategy to improve social welfare delivery, while social enterprise is outlined as a method to improve the lives of the poor.
<b>New Economic Model 2011-2020</b>	Provide a framework and environment to engender the entrepreneurial spirit to make the most of growth opportunities from available financing.
<b>Social Finance Roadmap for Malaysia 2016-2020</b>	Developed by IIX and Agensi Inovasi Malaysia (AIM) to provide the Malaysian government with a five-year strategy outlining how to leverage Social Finance to achieve Malaysia's goal of becoming an advanced nation by 2020.

## 2. SOCIAL ECONOMY ENTERPRISE OF MALAYSIA

### DEFINITION

A business entity that is registered under any written law in Malaysia that proactively creates positive social or environmental impact in a way that is financially sustainable (SOURCE: SOCIAL ENTERPRISE ACCREDITATION GUIDELINES).

### MAJOR TYPES OF SOCIAL ECONOMY ENTERPRISE

Private company, sole proprietorship, limited liability partnership, partnership, company, limited by guarantee, and cooperatives (SOURCE: MaGIC's LEGAL COMPASS FOR SOCIAL ENTERPRISE).

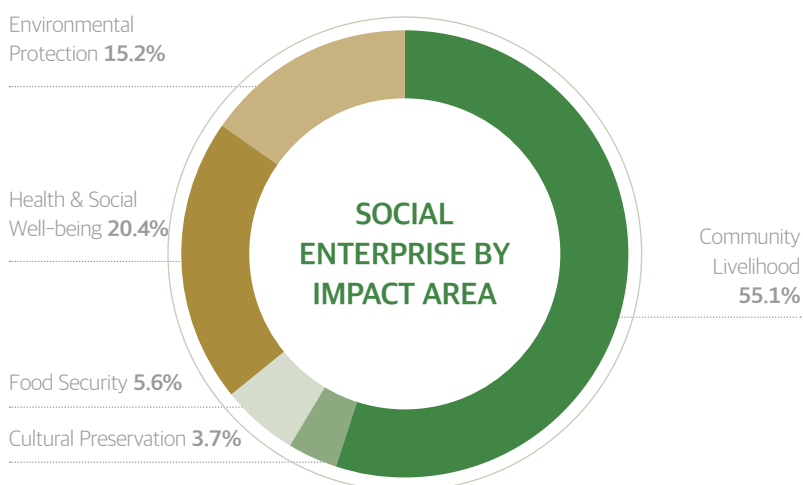
Major Types	Numbers	Products / Services
MSMEs	7,257	1. Agriculture 2. Art & Craft 3. Consulting & Services
Co-operatives	11,073	4. E-Commerce 5. Education 6. Energy 7. Engineering & Construction 8. Entertainment & Media
NGOs	2,419	9. Environment 10. Event, Marketing, Advertising 11. Finance 12. Food & Beverages 13. Information & Communication 14. Lifestyle & Fashion 15. Logistics & Transportation 16. Medical, Health & Wellness 17. Sports & Recreation 18. Travel & Tourism

\* British Council's The State of Social Enterprise In Malaysia 2018

### STATUS OF SOCIAL ECONOMY ENTERPRISE

With the launch of the first national social enterprise blueprint by MaGIC in 2015, there have been various types of initiatives that cover capacity building, awareness program, market access and funding initiative rolled out to support, sustain, and scale social enterprises.

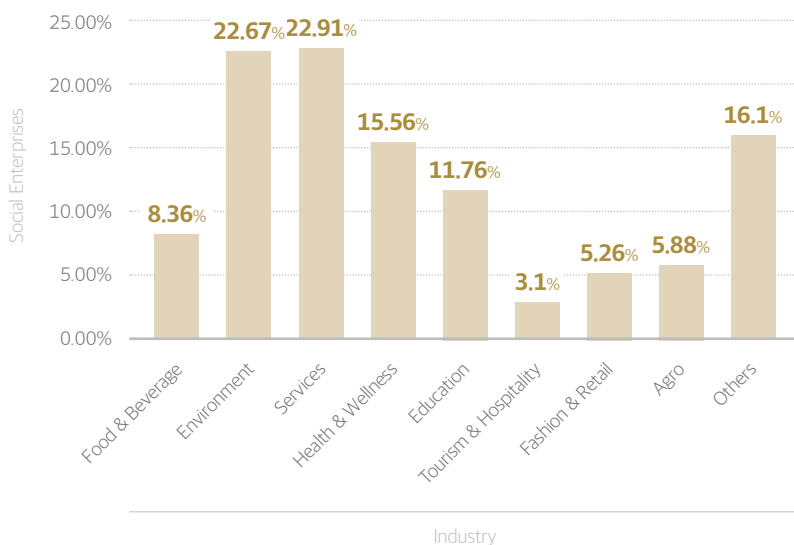
Under the MaGIC's social enterprise ecosystem, there are 5 targeted impact areas; environmental protection, health, and social well-being, food security, cultural preservation, and community livelihood. The highest percentage of social enterprises belong to the services industry, followed by the environment-related industry. Meanwhile, the segmentation of social enterprises by impact area is as follows:



The impact area with the highest percentage of social enterprises is community livelihood at 55%, followed by health and social well-being at 20%.

To date, 323 social enterprises have registered as Social Enterprise Basic under MaGIC. They belong to various industries, and the segmentation by industry is as shown below:

### SOCIAL ENTERPRISE BY INDUSTRY



## GOVERNMENT DEPARTMENT FOR SOCIAL ECONOMY

Social economy-related ministries and major support systems are as follows:

Ministries	Key Supports
<b>Ministry of Finance</b>	Providing tax incentive, under Subsection 44(11) of Income Tax Act 1967, for donors of social enterprises recognised by the Ministry as well as special budgets and incentives in support of the growth of the social entrepreneurship landscape in Malaysia.
<b>Ministry of Science, Technology, and Innovation</b>	Spurring the growth of social innovation in Malaysia through its agencies namely MaGIC, YIM and AIM through provision of grants, capacity building and access to market and fundings.
<b>Ministry of Entrepreneurship Development and Co-operatives</b>	Supporting and nurturing the growth of social entrepreneurship in Malaysia with its agencies and partners.

In addition, related ministries are as follows:

- MINISTRY OF EDUCATION
- MINISTRY OF HIGHER EDUCATION
- MINISTRY OF WOMEN, FAMILY AND COMMUNITY DEVELOPMENT
- MINISTRY OF YOUTH AND SPORTS
- ECONOMIC PLANNING UNIT (PRIME MINISTER OFFICE)

## SUPPORT AGENCIES AND ORGANIZATIONS

Organizations	Description
<b>Malaysian Global Innovation &amp; Creativity Centre (MaGIC)</b>	Launched in 2014, MaGIC supports the creativity and innovation development in Malaysia through dynamic programmes and capacity initiatives. Source: <a href="http://mymagic.my">mymagic.my</a>
<b>Yayasan Inovasi Malaysia (YIM)</b>	YIM is the hub of a vibrant innovation-driven community. YIM aims to nurture a sustainable support system that results in economic benefits. Source: <a href="http://yim.my">yim.my</a>
<b>Agensi Inovasi Malaysia (AIM)</b>	AIM was created to jump start wealth creation through knowledge, technology and innovation to stimulate and develop the innovation ecosystem in Malaysia. Source: <a href="http://innovation.my">innovation.my</a>

<b>Yayasan Hasanah</b>	An impact-based foundation striving to create real and lasting positive social and environmental changes for Malaysia. Source: <a href="http://yayasanhasanah.org">yayasanhasanah.org</a>
<b>The British Council</b>	An international initiative that supports the development of social enterprises and social investment in the UK and other countries, shares best practices, and facilitates opportunities between them. Source: The State of Social Enterprise in Malaysia 2018 Source: <a href="https://www.britishcouncil.org/sites/default/files/the_state_of_social_enterprise_in_malaysia_british_council_low_res.pdf">https://www.britishcouncil.org/sites/default/files/the_state_of_social_enterprise_in_malaysia_british_council_low_res.pdf</a>
<b>Impact Hub KL</b>	Impact Hub Kuala Lumpur is a catalyst to foster social innovation. The hub works at the intersection of innovation and society to collaboratively create impact with an entrepreneurial mindset in order to advance the Sustainable Development Goals. Source: <a href="http://kualalumpur.impacthub.net">kualalumpur.impacthub.net</a>
<b>PurpoSE</b>	PurpoSE Malaysia aims to spur the growth of social enterprise practices in Malaysia. Source: <a href="https://www.purposemy.com">https://www.purposemy.com</a>
<b>myHarapan</b>	A youth trust foundation that supports youth and youth projects that contribute to the social economy of Malaysia by providing platforms and opportunities. Source: <a href="http://myharapan.org">myharapan.org</a>
<b>AirAsia Foundation</b>	The philanthropic arm of AirAsia Group aims to promote social change through entrepreneurship by offering ASEAN social enterprises seed funding, market access (Destination Good) as well as mentorship. Source: <a href="https://www.airasiafoundation.com/social-enterprise">https://www.airasiafoundation.com/social-enterprise</a> Source: <a href="https://destinationgood.com">https://destinationgood.com</a>

## SOCIAL FINANCE & IMPACT INVESTMENT

- MyCIF Social Enterprise Scheme aims to catalyse access to finance for social enterprises through the use of P2P platforms as an alternative funding avenue. MyCIF makes 1:1 co-investment alongside private investors at 0% financing rate, i.e. MyCIF will co-invest RM1 for every RM1 successfully raised from private investors. This effectively reduces the cost of financing for social enterprises. [Source: <https://www.sc.com.my/development/digital/malaysia-co-investment-fund-mycif>]

· iTEKAD is a social finance initiative targeting micro-enterprises owned by the B40 and ASNAF entrepreneurs.

iTEKAD Micro Financing is a social finance program for assisting the B40 segment and ASNAF generate sustainable income and achieve financial resilience. The program is designed to help eligible micro-entrepreneurs grow their business to generate sustainable income. [Source: <https://www.bankislam.com/business-banking/sme-banking/itekad/>]

· INCEIF Islamic Social Finance Unit's Micro-SMEs Entrepreneurship Skill Programme: INCEIF's Islamic Social Finance Unit was established in August 2017 to coordinate, develop, and put into effect INCEIF initiatives towards financial inclusion for all. The Islamic Social Finance is executed through 3 instruments, which are Zakat, Waqf, and Sadaqa. [Source: <https://www.inceif.org/islamic-social-finance/>]

## NETWORKS OF SOCIAL ECONOMY ENTERPRISES

Networks	Description
<b>Malaysian Global Innovation &amp; Creativity Centre: Social Enterprise Basic (SE Basic)</b>	<p>A part of Malaysia's Social Enterprise Accreditation (SE.A) system, SE Basic is a pre-accreditation status for social enterprises that are mission-driven businesses or organisations with established impact model with the potential to be accredited.</p> <p>The SEs that are registered with MaGIC as SE Basic can tap into the programmes, resources and benefits provided by MaGIC and its partners.</p> <p>Link: <a href="https://central.mymagic.my/sea">https://central.mymagic.my/sea</a></p>
<b>Chamber of Social Entrepreneur Development Alliance</b>	<p>A non-profit organisation set-up to improve the social entrepreneurship ecosystem in Malaysia. CSED is comprised of practitioners, business owners, founders as well as private and public sector individuals who aspire to grow the social entrepreneurship practices in Malaysia.</p> <p>The chamber serves as an advocate for building and growing the social entrepreneurship practices by forging interventions, collaboration, and catalysing developmental efforts in the private and public sector.</p> <p>Link: <a href="https://www.malaysiacsed.com">https://www.malaysiacsed.com</a></p>

<b>Social Enterprise Alliance</b>	<p>A Malaysian organisation for social enterprises and entrepreneurs with solutions to some of the most urgent social problems in Malaysia and globally.</p> <p>The alliance is an advocate for the field, hub of information &amp; education, and builder of a vibrant and growing community of social enterprises. Anyone with an interest in social enterprise can become a member of SEA. The alliance provides for two types of memberships: organisation and individual.</p> <p>Link: <a href="http://www.facebook.com/socialenterprisemy">www.facebook.com/socialenterprisemy</a></p>
<b>Civil Society Organization-SDG</b>	<p>Malaysian CSO-SDG Alliance is a network of CSOs (development based human rights &amp; environmental organisations) working on the effective implementation of SDGs aiming to ensure that no one is left behind and to create a better Malaysia for all.</p> <p>Link: <a href="https://www.facebook.com/CSO-SDG-Alliance-297464404049610">https://www.facebook.com/CSO-SDG-Alliance-297464404049610</a></p>

## RESEARCH INSTITUTION & UNIVERSITY

### Universiti Teknologi MARA [Social Innovation Support Unit UiTM-SISU was founded following the funding granted by the

Erasmus+Southeast Asia Social Innovation Network project in August 2017. The project is aimed at providing a hub for social innovators to convene, discuss, and innovate more inventions that benefit the community and the society.

[Source: <http://www.seasin-eu.org/sisus/uitm-sisu/>]

### Universiti Malaysia Kelantan [Social Entrepreneurship Centre]

UMK received a research funding grant from the Ministry of Finance for implementing the Social Entrepreneur Project or UMK For Society Social Enterprise Project to increase income and economic resources in Kelantan.

[Source: <http://www.umk.edu.my/index.php/en/publication/umk-news/4-latest-news/401-umk-receives-rm-2-6-million-social-entrepreneurship-research-grant>]

### Sunway University [iLabs]

The Sunway iLabs launched in 2017 aims to foster entrepreneurship and stimulate market-driven innovations to help entrepreneurs become more competitive in this rapidly changing environment. It is also well connected with the wider start-up ecosystem in Malaysia and abroad and provides opportunities for collaboration and strategic part-

nerships to enable entrepreneurs to scale their business faster.

[Source: <http://innovationlabs.sunway.edu.my/about>]

### **Acumen Academy Malaysia**

AA provides a fellowship programme for social entrepreneurs with a curriculum on moral leadership. The Malaysian chapter of this programme saw its first batch announced back in January 2020.

[Source: <https://www.acumenacademy.org/fellowship/malaysia>]

## **PUBLIC AWARENESS ON SOCIAL ECONOMY**

Since the launch of Malaysian Social Enterprise Blueprint back in 2015, raising awareness has been one of the key enabling initiatives to create a thriving social entrepreneurship ecosystem in Malaysia. In recent years, there has been a significant increase in interests on social entrepreneurship and social innovation thanks to factors such as increasing awareness on SDGs among the public and private sectors, special budget provision from the federal government to spur the growth of social enterprises as well as the involvement of both public and private universities in raising awareness on social entrepreneurship among youths.

However, the State of Social Enterprise in Malaysia 2018 published by British Council highlighted that the lack of awareness is ranked as the second greatest barriers to growth of social enterprises in Malaysia. Campaigns like Buy for Impact, which was seeded and led by MaGIC, could potentially spur higher awareness and support for the social enterprises among retail consumers, corporations and the government through social procurement.

Key activities to raise awareness on social enterprises are as follows:

### **Buy For Impact**

Buy For Impact is a campaign that celebrates social enterprise, shining a spotlight on the incredible impact they make. The campaign is aimed at promoting conscious buying behavior and social innovation among the general public and private sector players.

[Source: <https://buyforimpact.co/>]

### **A Piece of Malaysia: #jomsupportlocalah**

APOM is a local Malaysian store that sells well-designed Malaysian products to promote the local products. One of the APOM initiatives is through #jomsupportlocalah that brings the meaning of let's support our local. [Source: <https://apom.my>]



### ExperienSE 2019

ExperienSE 2019 is a Social Enterprise Day 2019 jointly by the British Council, Chamber of Social Entrepreneur Development Malaysia (CSED), Biji-Biji Initiative, and MeReka in conjunction with the Global Entrepreneurship Week. The event is aimed at encouraging the public on social entrepreneurship practices.

[Source: <https://www.facebook.com/events/551631948743831>]

## INTRODUCTION OF MALAYSIAN GLOBAL INNOVATION & CREATIVITY

MaGIC is an agency under the Ministry of Science, Technology, and Innovation (MOSTI) that spearheads the effort to build an ecosystem of social innovation and social entrepreneurship and aims to contribute to the development & evolution of Malaysia into a sustainability-driven and technology-driven nation, which is aligned to SDG 2030 and Shared Prosperity Vision 2030 (SPV 2030).

**Vision:** A vibrant and sustainable startup and social enterprise ecosystem built on impact-driven innovation and inclusiveness.

**Mission:** Building high economic and social impact via:

- Nurturing and navigating local startups and social enterprises toward successful and sustainable businesses
- Enabling a thriving and sustainable entrepreneurial landscape
- Cultivating a creative, innovative, and entrepreneurial culture
- Catalysing globalisation opportunities through acceleration and market access

## Social Economic Efforts on Covid-19 Pandemic

The agility, nimbleness and resourcefulness of social enterprises prove that they have a part to play, demonstrating that through a common cause, greater good puts all of us in a better place. To aid the recovery of social enterprises through the pandemic, the Malaysian government and MaGIC have rolled out the following initiatives:

- Social Enterprise Sustainability Initiative: a double-impact collaborative crowdfunding effort by MaGIC- the government agency, a bank, an impact investment firm and a charity body, which successfully raised more than RM200k for 11 SEs to keep their beneficiaries employed while benefiting the target communities.
- Social Impact Matching Grant: as part of the COVID-19 pandemic Short-Term Economic Recovery Plan ("PENJANA"), a social enterprise elevation initiative was announced by the Prime Minister in June 2020 to encourage social enterprise related activities through contribution matching. This matching grant totalling RM10 million is aimed at helping social enterprises that can crowdsource contributions and dona-

tions undertake innovative social projects, which address challenges faced by targeted communities.

- #BuyforImpact Movement: A social procurement movement with campaigns aimed at increasing private participation in supporting the growth and recovery of social enterprises by diversifying revenue streams as well as digitalising and upskilling the social enterprises.

# 04

## VIETNAM

### 1. DETAILS

#### DISTRIBUTION OF POPULATION (2019)\*

Population ages 0~14	23.21%
Population ages 15-64	69.23%
Population ages over 65	7.55%

\* Source: [www.statista.com](http://www.statista.com) / Vietnam has had the Golden population structure since 2007, which is expected to end in around 2040.

#### MAJOR SOCIAL PROBLEMS

There are various social problems such as poverty, population aging, economic inequality, low productivity, unsafe food, climate change vulnerability and etc. The following table presents the SDG problems facing Vietnam.

Priorities	Gaps
Poverty	<p>8.23% of households in Vietnam are classified as poor, and 5.41% are at the poverty threshold.</p> <p>Recent disasters have pushed certain marginalised households closer to the poverty threshold. Poverty rate among ethnic minority groups remains high.</p>

<b>Agriculture and Food</b>	Ensuring food safety in the fruit/ vegetable and meat industry is an important issue, with high levels of residues of plant protection products (i.e. pesticides) and antibiotics found in food 42.5% of the labour force work in the agriculture sector.
<b>Environment and Climate Change</b>	Climate Risk Index (CRI) 2015: Vietnam was the 8th most affected country by climate change (out of 187 countries).
<b>Healthcare, Water, Sanitation</b>	14% of the population do not have medical insurance. Only 24% of ethnic minority households have access to clean water. Hospital overload affects service quality.
<b>Energy</b>	Fossil-based energy is still the main source of electricity production. Vietnam currently imports 3% of its primary energy, and this is forecasted to rise to 58.5% by 2035.
<b>Education</b>	70% of ethnic minority children start school at the age of 6. Only 6.2% of the ethnic minorities are trained labourers. Education quality and curricula do not meet the market's needs. Enrollment rate for the poor is approximately 90% at primary level and 70% at secondary level.
<b>Gender Equality</b>	Women are under-represented in leadership positions. Women are disproportionately negatively affected by economic inequality, with ethnic minority women among the most marginalised. These create barriers to women's economic empowerment.
<b>Productivity, Unemployment</b>	Unemployment rate among the working age is 2.2%. 25% of youth (15-24 years old) and 4.5% of university graduates are unemployed. Vietnam has the Lowest productivity in the region.
<b>SME Development</b>	74% is MSME, contributing 45% to Vietnamese GDP, whilst creating 65% of all employment However, MSMEs only contribute 23% to the value of exports.

**Inequality**

Marginalised groups account for 20% of the population. Ethnic minorities account for 14.6% of the population. They experience significant gaps in income, education, healthcare and access to infrastructure. People with disabilities (PwDs) account for 7.8% of the population (15.3% according to the WHO). 76.3% of PwDs can read and write, and 70% live in rural areas depending on support from their relatives and the social allowance.

## NATIONAL DEVELOPMENT STRATEGIES

With much uncertainty in the world economic outlook, the Vietnamese economy still faces many difficulties and potential risks. In addition, the outbreak of COVID-19 is posing many challenges to sustainable development. On April 17th, 2020, the Prime Minister issued Directive No. 18/CT-TTg on the formulation of the 5-year socio-economic development plan for 2021 - 2025. Various aspects of the social economy were included in the key pillars and the direction of the plan as presented below:

### Development Model: Socialist-oriented economy

Development Pillar #1  
**Rapid Growth**

Development Pillar #2  
**Sustainable growth**

#### Areas of Priority

**Regional  
development**

Green economic  
models,  
Marine  
economic  
development

**Economic  
restructuring**

Digital economy,  
E&I

**Infrastructure**

Smart, green,  
environment-  
friendly, urban  
dev. adaptive to  
climate change

**Investment**

Collective  
economy,  
Private  
economy,  
Digital  
technology

**Human  
resources**

S&T  
4.0 training

**Social  
progress**

Equity,  
Job,  
Health,  
Quality of life

## 2. SOCIAL ECONOMY ENTERPRISE OF VIETNAM

### DEFINITION

The concept of social enterprise was introduced in Vietnam in 2008.

Legislative definition of social enterprise was officially recognized in 2014 as ‘an enterprise that is registered and operates to resolve a number of social and environmental issues for a social purpose; and reinvests at least 51 percent of total profits to resolve the registered social and environmental issues’ (Article 10, Enterprise Law 2014). According to this definition, SE is not a legal entity - the legal status is still company with limited liability or in partnership, but with a social and/or environmental registration and limited redistribution of profit.

However, in the Vietnamese context, “Social Impact Business” created and endorsed by UNDP and National Economics University (Truong et al, 2018). “SIBs are organizations that have both trading activities and a commitment to positively impact society/environment as the two central tenets of their strategic operations. This balance between social/environmental aim with a commercial model allows them to sustainably solve social and environmental challenges”.

SIB is preferred, widely accepted, and recognized by the Vietnamese public and business sector because: ① It is seen as more “business oriented”. ② Achieving a balance between solving social issues and making profit is a more appropriate approach, with the misperception being that SE focuses more on the social issues. ③ It is more attractive to investors.

### MAJOR TYPES OF SOCIAL ECONOMY ENTERPRISE

The social enterprise sector in Vietnam includes seven types of entities: ① Social enterprises registered as companies with SE status registration; ② Social impact businesses that pursue balance between profit and social impact making; ③ Sustainable businesses; ④ Social cooperatives; ⑤ Inclusive businesses; ⑥ Impact startups; and ⑦ NGOs with important service provision activities.

Type	Definition	Key promoters
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<b>Social Enterprise</b>	A business with primarily social objectives whose surplus is principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners	British Council CSIP
<b>Social Impact Business</b>	SIBs are organizations that have both trading activities and a commitment to positively impact society/environment as the two central tenets of their strategic operations. They are mainly in SME form. They see “social” as cause but also market opportunity.	CSIE UNDP
<b>Inclusive Business</b>	A business entity that generates high development impact by (i) improving access to goods and services for the bottom-of-the-pyramid population (i.e., low-income people); and/or (ii) providing income and/ or employment opportunities to low-income people as producers, suppliers, distributors, employers, and/or employee. This group tends to be commercial, medium- or big-sized, and attract capital from investment banks.	Oxfam
<b>Impact Startup</b>	Impact startups are initiatives or startup businesses, which have innovative solutions, are technology-based, solve social and/or environment issues and create social and/or environmental impact. This group may be part of the social innovation sector and attract impact investors.	UNDP Ministry of Science and Technology
<b>Sustainable businesses</b>	A sustainable business is an enterprise that has minimal negative impact, or potentially a positive effect, on the global or local environment, community, society, or economy—a business that strives to meet the triple bottom line. Every year, VCCI provides sustainable business ranking, index and awards to eligible corporations.	Vietnam Chamber of Commerce (VCCI) MNCs

<b>Cooperatives</b>	A cooperative is a collective economic organization of co-ownership with legal entity is established voluntarily by at least 7 members, and mutually cooperates and assists in the production, sales and job creation to meet the general needs of all members, on the basis of self- control, self-responsibility, equality and democracy in management of the cooperative (Cooperative Law of Vietnam, 2013). Vietnam has three types of cooperatives: agricultural, non agricultural, and credit cooperatives.  Not many cooperatives claim themselves to be social enterprises, except for a few in the handicraft sector that employ PwD people or women with disadvantaged background.	Self promotion
<b>Local NGOs</b>	As the source of grants is scarce, local NGOs have to work with SEs to transform the business model to be more entrepreneurial.	Embassies, Asia Foundation

## STATUS OF SOCIAL ECONOMY ENTERPRISE

There are approximately 22 thousand SIBs in Vietnam, accounting for 4% of the business sector. But only 80 SEs are registered under the Enterprise Law. SIBs are concentrated mainly in big cities. Only 5% of SIBs solely serve the rural market, 21% only the urban market, and 74% both markets.

The headquarters of SIBs are generally located in Ha Noi, Ho Chi Minh City and Da Nang. The largest number of SIBs is in the Red River Delta. The Northern area houses 57.7% of SIBs, Southern Vietnam 30% and the Central area 12.3%. More SIBs are based in Ha Noi than other provinces because most intermediaries, supporting organisations, and international NGOs are located in the capital. Awareness-building as well as resources for capacity building, finance, networking, training and incubation are all more available in Ha Noi than in other cities, even Ho Chi Minh City.

The top five social issues that SIB sector focuses on are ① improving health and well-being; ② creating employment opportunities; ③ protecting the environment; ④ promoting education and literacy; and ⑤ supporting agriculture and related activities.

The number of micro-enterprises with less than 10 employees accounts for 30% of



the SIB sector. Approximately 70% of SIBs are small- and micro-sized, with the average number of employees being approximately 20 per SIB

The SE sector is highly inclusive – 99% of SEs employ women, 74% of SEs employ workers from disadvantaged groups, and 90% of SEs employ local workers.

The diversity in leadership is reflected in the fact that a significant number of women and people from marginalized groups participate in the establishment and operation of SIBs. Whereas 25% of commercial businesses have women leadership, 41% of the leaders of SIBs are women, and 1% are from the LGBTI community. The proportion of women social entrepreneurs is much higher than the 25% of the commercial sector in Vietnam and 10% on average across the world. The global average shows that 45% of social entrepreneurs are women and 55% are men. Furthermore, 48% of senior management within SIBs are women. SIBs in Vietnam are, therefore, very strong in relation to gender equality and women leadership.

SIBs have a larger proportion of revenue from commercial activities than those in other countries. The main source of income for SIBs is commercial activities with 92% of SIBs generating over 50% of their revenue from trading activities. SIBs are also micro-scaled in terms of revenue. 72% of SIBs report a revenue of less than 3 billion VND (130,000 USD/year). Despite the small scale, 70% of SIBs generated profit and 18% reached break even point. SIBs that see loss are usually the newly established ones.

The main sources of funding for SIBs are individuals (34% of SIBs) and shareholders equity (40% of SIBs). However, grants and donations from foundations are the next top 3 and 4 sources. The other market-based mechanisms such as loans, impact investments or microcredit are not yet common in the Vietnamese SE sector.

In terms of management, SEs identify three main weaknesses. These are social impact measurement, marketing and branding, and the barriers to financial and human capital. It is difficult for SEs to attract talent because of the small size of many organisations, the inability to pay a wage equal to the commercial sector, enable career development and match the values held by employees and the business.

## **POLICIES AND INSTITUTIONS ASSOCIATED WITH SOCIAL ECONOMY**

### **Policy and Institution for social enterprises under Enterprise Law 2014**

Vietnam is one of the few countries with legal recognition for social enterprises. Article 10 of the Vietnam Enterprise Law 2014 states that SEs should meet three conditions:

① Registering as an enterprise under the Enterprise Law; ② Having clear social and

environmental objectives; ③ Committing to reinvest at least 51% of profits to serve the registered social and environmental objectives.

In addition, SEs must fulfill the following:

Strictly use the funding raised for purposes of covering managerial and operational expenses to implement their registered social or environmental objectives;

- Comply with the reporting regime applicable to SEs; and
- Meet the other obligations of normal enterprises.

Further to the Enterprise Law 2014, in October 2015, Decree 96/2015/NĐ-CP came into effect, providing guidelines and policies to encourage the development of SE. These include:

- ① Government encourages and assists organisations and individuals to set up SEs with the purpose of solving social and environmental problems for the benefit of the community;
- ② SEs are entitled to preferential and investment support in accordance with the Law;
- ③ SEs can receive foreign aid to achieve the objectives of solving social and environmental issues in accordance with the Law on the reception of foreign non- governmental aid.

However, there has been limited efforts to develop specific policies or initiatives to foster the growth of the SE sector to date.

In order to set up a social enterprise, founders need to register an enterprise/company under the Enterprise Law, which can be a limited liability company (LLC), joint stock company (JSC), partnership company (PC) or private enterprise. Then, they must submit a file to apply for the status of social enterprise clearly stating social objectives and reinvestment commitment from 51% to 100% of profit.

In terms of governance, financial reports and tax, there is currently no significant difference between registered or non-registered SE's under the Enterprise Law. In reality, many social enterprises have decided to keep their current status as a company/enterprise without registering as a social enterprise. This is mainly because the incentives offered by the Government are not attractive enough.

### **Policies for enterprises participating in the provision of public services**

There are a range of business incentives available to registered businesses in Vietnam including SEs. In addition to the Vietnam Enterprise Law 2015 and Decree 96, enterprises operating in the fields of education, training and vocational training, medicine, culture, sports, and environment can benefit from some measures under the Decree

69/200848, such as:

① Infrastructure and land preferences: Long-term leases with preferential prices; To be allocated with or to lease the land (in which clearing work has been completed) in the form of land allocation without collection of land fees; or leasing for free.

② Tax incentives: corporate income tax rate at 10% during operation; To be exempt from corporate income tax (CIT) for four years after the taxable income is generated, plus a 50% reduction in the five subsequent years; Import of machinery and equipment for scientific research, aid goods, etc. are not subject to VAT. Additionally, businesses employing persons with disabilities, accounting for 30% of their workforce are exempt from corporate income tax.

③ Organizations participating in provision of public services can participate in providing public service or be requested to do so by the Government; to participate in bidding for contracts and projects that use domestic and foreign capital sources as long as they are compatible with the respective functions and tasks as provided for by the law.

### **Policies for cooperatives**

In 2019, there were more than 21 thousand cooperatives in Vietnam, of which 13.4 thousand were agricultural cooperatives. Supporting policies for cooperatives are specified in Decree 193/2013/ND-CP as follows:

- ① subsidise formal training and technical training (subsidise 100% of the expenses for human resources training in cooperatives);
- ② promote trade and market expansion;
- ③ assist in applying new sciences, techniques and technologies;
- ④ provide access to capital and funds for development of cooperatives;
- ⑤ give priority in participating in targeted programs and socio-economic development programs.

Cooperatives engaging in production and/or business activities in the encouraged fields are exempt from output VAT but still entitled to input VAT credit, as well as CIT exemption or reduction for several years after its establishment.

### **Policies for enterprises investing in marginalised areas and groups**

Enterprises that invest in marginalised areas or the empowerment of marginalised groups are entitled to CIT incentives. Enterprises investing in the fields of clean energy, environmental protection and waste treatment are entitled to a CIT rate of 10% for a

period of 15 years, a four-year tax exemption, and a reduction of 50% of payable tax for nine subsequent years.

Enterprises investing in socialization of areas with difficult or extremely difficult socio-economic conditions are entitled to tax exemption for four years and a reduction of 50% of payable tax in the next five years. Operations and businesses, of which persons with disabilities (PwDs) account for at least 30% of the workforce, are entitled to a number of preferential policies.

### KEY PLAYERS IN SOCIAL ECONOMY ECOSYSTEM

Name	Raising	Competition	Education	Incubation/ Acceleration	Research	Finance	Co-working Space	Description
<b>The Legal and Institutional Framework</b>								
<b>Decree 69/2008</b>			x	x		x		Supporting policies for socialization in education and training, vocational training, medical, culture, sports, and environment
<b>Decree 26/2015</b>	x					x		Implementation guideline for the Vietnam Enterprise Law 2015 with specific focus on SEs
<b>Project 844 - MOST</b>	x	x	x	x	x	x		Development of innovation and entrepreneurship ecosystem
<b>Project 1665 - MOET</b>	x	x	x					Support for student-led startups
<b>Financial Institutions, Investors and Development Organisations</b>								
<b>SMEDF</b>						x		Focus on innovative SMEs
<b>Abilis Fund</b>						x		Provides grants to improve capacity, and create jobs for PwDs
<b>Thrive Fund</b>				x		x		Non-interest loan program for SMEs, which receives repayment through products or services
<b>Oxfam</b>			x	x		x		A supporting program for inclusive businesses

<b>Lotus Impact</b>	x			x		x		Impact investment fund dedicated to the Vietnamese market
<b>Patamar</b>	x			x		x		Venture capital

#### Dedicated Intermediaries and Incubators

<b>British Council</b>	x	x	x	x	x			Development programs for creative businesses and SEs
<b>CSIP</b>	x	x	x	x	x	x		Intermediary for incubating and supporting SEs
<b>SPARK</b>	x		x	x	x	x		Support organisation for accelerating SEs
<b>Evergreen Labs</b>			x	x		x		A centre for incubation and investment in SIB in central Vietnam
<b>IBA Viet Nam</b>	x		x	x		x		Support program for inclusive businesses
<b>UNDP SDG Challenge and Youth Co:Lab</b>	x	x	x	x	x	x	x	Innovation program for impact startups and for promoting social impact, and SDG entrepreneurship among youth
<b>HATCH! Ventures</b>	x	x	x	x		x	x	Co-working space and SIB incubation and acceleration center
<b>WISE</b>	x	x	x	x	x	x		Women's initiative for startups and entrepreneurship
<b>SiHUB</b>		x		x		x	x	Incubator for HCMC enterprises
<b>DNES</b>	x	x	x	x	x	x	x	Incubator for Da Nang enterprises
<b>VCCI</b>	x	x	x		x			Business forum for sustainable development

#### Universities, Research organisations

<b>CIEM</b>	x		x		x			Think tank that embedded the concept of SE into the Vietnam Enterprise Law 2015
<b>NEU CSIE</b>	x	x	x	x	x			The first university-based research, education and incubation centre in Vietnam

<b>FISS</b>		x	x	x				Centre of innovation and startups of Foreign Trade University
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#### Initiatives from the Commercial Enterprise Sector

<b>Eko Center Coca Cola</b>	x		x	x		x		Development project for small businesses and community centres owned by women
<b>Minh Phu Fish</b>				x		x		The first large seafood enterprise to set up a clean shrimp farming, co-owned by farmers
<b>VinGroup</b>				x		x		The two largest private health and education businesses in Vietnam registered as SEs

#### Media

<b>Green Swallow Award</b>	x	x						CSIP and VCCI's 2017 Award for Business Initiatives for the Community
<b>Sustainable Business Rating</b>	x	x						Ranking of the top 100 sustainable enterprises published by VCCI, following the Social Responsibility Award since 2005
<b>Forbes Viet Nam</b>	x							Honours the most influential people of the year, many of whom are social impact entrepreneurs
<b>VTV1</b>	x							Weekly Corporate Social Responsibility (CSR) Program run for the whole year of 2018

### Government Departments for Social Economy

There is no government department in charge of social economy because SE is defined under the Enterprise Law. Logically, the SE sector must be managed by the Enterprise Development Department of Ministry of Planning and Investment.

Support programs such as Program 844 of the Ministry of Science and Technology to build the startup ecosystem were launched as the ministry started gaining interest in

promoting the concept of impact startup with UNDP and CSIE since 2018.

The government began prioritising sustainable development and promoting businesses for sustainable development, in an effort to achieve the Socio-Economic Development Plan of Vietnam and the UN SDGs. In 2012, Vietnam announced its Sustainable Development Strategy. For the first time in July 2018, Vietnam held the National Conference on Sustainable Development, demonstrating the commitment of the government.

#### **SUPPORT ACTIVITIES, INCUBATION, CO-WORKING SPACES**

There are intermediaries specialising in supporting SIBs with incubation and acceleration programmes, social innovation competitions. Such organisations have 5-10 years of experience in this field. The organizations include CSIP, Spark, HATCH! Ventures, Evergreen Labs, and Seed Planters.

There is a strong cafe culture in Vietnam, with free Wi-Fi available, which provides free space for young startup entrepreneurs. Newly established incubators such as DNES, SIHUB, sYs, BKHUP, UP, The Vuon receive support through various government initiatives including the Startup Nation Program, which has contributed to the growing number of incubators in Vietnam. Co-working spaces are also common in major cities, but more could be done to provide free or affordable space for youth in peri-urban and rural areas.

International organisations such as the British Council have been active since 2009 for advocacy, SE development, and social innovation in the university sector. UNDP has been involved in innovation since 2015, aiming to tap into the thriving startup ecosystem in Vietnam to find new market-based solutions to achieve the SDGs. UNDP initiatives includes the awarding of equity free seed funding for impact startups contributing to the achievement of the SDGs, and a yearlong business incubation and impact acceleration programme for impact startups.

#### **SOCIAL FINANCE & IMPACT INVESTMENT**

According to GIIN (2018), within 10 years from 2007 to 2017, at least 10 private impact investors (PIIs), mostly fund managers, have deployed more than USD \$25 million in Vietnam through 23 deals. Six Development Finance Institutions (DFIs) have cumulatively deployed more than USD \$1.4 billion in impact capital through 50 deals over the same period. Among the deals made in Vietnam over the past decade, deal size varies between USD \$1 million and \$5 million for PIIs and range from USD \$10 to \$50 million for DFIs.

While DFIs have disproportionately invested more than PIs, DFIs are less likely to provide significant amount of investment towards social enterprises, especially those at the early stages, due to the DFIs' focus on relatively large-sized deals.

Despite remarkable efforts by PIs and DFIs, Vietnam's impact investment market is underdeveloped. The most significant challenges facing social investment in Vietnam mirror the challenges faced by impact investors at the global level and are highlighted by the various recent reports on impact investment in Vietnam. Those main challenges are as follows:

- There is a lack of a sufficient pipeline for impact investment. Despite the fact that supply and demand for impact investments clearly exist in Vietnam, the majority of capital needs are still unmet.
- There is a lack of local enablers with exclusive focus on, as well as knowledge about, the Vietnamese impact investment landscape. Enablers in Vietnam lack a leading organization (potentially either the government or a capable non-governmental organization) that can unite all key stakeholders in the ecosystem around a common vision of impact (Change Fusion, 2015).
- There is a lack of gender lens impact investment. Despite increasing interest internationally and domestically, the scale of gender lens investments in Vietnam is still very modest, amounting to approximately USD \$3.3 million in 4 deals, (GIIN, 2018).
- Importantly, there is the lack of an enabling environment for the development of impact investment market in Vietnam compounded by limited awareness amongst policymakers on what is, and the potential of, impact investing. (CSIP, 2019)

## RESEARCH INSTITUTION & UNIVERSITY

The Central Institute for Economic Management (CIEM), CSIP, Spark, British Council, and National Economics University have each provided various research reports on the SIB sector since 2010.

Social entrepreneurship and social innovation have been integrated into university training and education through "train the trainer" capacity building programs, training to support startup mentors, training for youth on social innovation and design thinking, including through the Vietnam Youth Challenge for Social Innovation, delivered by the British Council, CSIE53 of the National Economics University, and Youth Co:Lab Vietnam, led by UNDP, Citi Foundation and the Ministry of Science and Technology. As a result of these efforts, social entrepreneurship and social innovation are being integrated into seven universities in Vietnam. Since 2019, The British Council in Vietnam and CSIE have integrated this content into their startup training materials developed for use in the



training of 200 startup supporters from 200 universities across the country within the scope of project 1665 of the Ministry of Education and Training in the past two years.

## COMMERCIAL ENTERPRISE SECTOR

CSR funds of large international and domestic corporations such as Unilever, Coca Cola, Hoa Phat Group and VinGroup, have developed initiatives to support organisations in the SIB sector. For example, Coca Cola's Eko Center project, in operation since 2017, has built community centres in many cities and provinces across the country, using a community-based business model operated by women from the local communities where the initiative is being implemented.

Minh Phu Seafood Joint Stock Company, a leading shrimp exporter in Vietnam, has set up an SIB on shrimp-forest chain, by having 100 local households join the production supply chain and co-own the SIB. This is the first large agribusiness that can be classed as an SIB.

## VIETNAM RESEARCH INSTITUTE FOR INNOVATION AND DEVELOPMENT (VID)

VID is a not-for-profit research institute set up in 2018 with the mission of raising awareness, sharing knowledge, changing mindset, advocating for policies on the topic of innovation for development in economical, social and environmental terms. VID gathers top scholars in social innovation, social entrepreneurship and social development.

VID owns the only digital map of social enterprises in Vietnam [imapvietnam.org], the first and only website of online education and incubation on social innovation in the country and in Vietnamese [impactup.site]. VID is editor who takes charge of impact startup column of the National startup online hub [startup.gov.vn]. More information about VID works and publications can be found at [VIDinstitute.org].

05

PHILIPPINES

1. DETAILS

DISTRIBUTION OF  
POPULATION &  
INDUSTRIES

Population ages 0~14	31.8%
Population ages 15-64	63.4%
Population ages over 65	4.74%

The population growth rate from 2010 to 2015 was 1.72%.  
The Gini coefficient was 0.44 in 2015, the quintile distribution ratio 9.30 and the relative poverty rate 16.8 percent as of 2018.

Industrial distribution is as follows

Industry Description (All establishments)	Estab- lishment	Employ- ment	Income(Th P)
Agriculture, forestry and fishing	2,995	170,186	172,677,392
Mining and quarrying	200	32,125	145,843,329
Manufacturing	24,200	1,278,392	5,417,456,173
Electricity, gas, steam and air conditioning supply	299	46,819	897,798,247

<b>Water supply; sewerage, waste management and remediation activities</b>	1,124	38,392	103,422,774
<b>Construction</b>	1,726	311,012	499,093,021
<b>Wholesale and retail trade; repair of motor vehicles, and motorcycles</b>	101,136	1,109,799	5,085,630,021
<b>Transportation and storage</b>	2,804	195,373	573,021,998
<b>Accommodation and food service activities</b>	28,932	452,732	545,863,601
<b>Information and communication</b>	2,739	147,961	653,070,874
<b>Financial and insurance activities</b>	6,990	344,197	1,649,379,207
<b>Real estate activities</b>	4,734	75,230	675,640,937
<b>Professional, scientific and technical activities</b>	6,398	158,508	305,732,030
<b>Administrative and support service activities</b>	6,466	1,088,198	561,513,454
<b>Education</b>	14,017	407,394	206,311,146
<b>Human health and social work activities</b>	6,663	182,294	194,916,956
<b>Arts, entertainment and recreation</b>	3,068	65,840	198,742,701
<b>Other service activities</b>	10,049	69,796	39,089,963

## MAJOR SOCIAL PROBLEMS

- Unemployment remains very high at 39.5% (posted October 5, 2020, Social Weather Stations).
- Hunger incidence was at a record-high at 30.7% (posted September 27, 2020, Social Weather Stations).
- Estimated poverty rate was 16.8% in 2018 (2018 FIES, Discussion Paper 2020–22, Philippine Institute of Development Studies).
- Inequality is still higher than in most other developing countries in the East Asia and Pacific region (Poverty and Equity Brief on the Philippines, April 2019, World Bank).

- Corruption worsened in the Philippine government in 2019 as it ranked 113th of 180 countries (Corruption Perceptions Index 2019, Transparency International).

## NATIONAL DEVELOPMENT STRATEGIES

<b>Inequality-reducing Transformation: Ordinary Filipinos will feel the “Pagbabago” (change)</b>	<ul style="list-style-type: none"> <li>· Develop inclusive business models and social enterprises to better engage MSMEs.</li> <li>· Provide MSMEs with easier access to finance, and provide financial literacy training to MSMEs, cooperatives, and to overseas Filipinos and their families.</li> </ul>
<b>Expanding Economic Opportunities in Industry and Services through ‘Trabaho’ at ‘Negosyo’</b>	<ul style="list-style-type: none"> <li>· Increase access to economic opportunities in industry and services for MSMEs, cooperatives and overseas Filipinos (access to production networks improved; access to finance improved; productivity, efficiency, and resilience enhanced)</li> <li>· Provide the framework for the planning and implementation of the National Poverty Reduction Through Social Entrepreneurship Program through legislative agenda to expand economic opportunities in industry and services such as the Social Enterprise Bill. This also promotes social enterprises as a tool for the government’s poverty reduction program.</li> </ul>
<b>Reducing Vulnerability of Individuals and Families</b>	<ul style="list-style-type: none"> <li>· Implement a convergence approach to help the poor and vulnerable become self-sufficient and self-reliant</li> <li>· Mainstream program convergence budgeting in housing and resettlement, and innovative housing finance modalities</li> </ul>

The Philippine Development Plan (PDP) 2017-2022, the first medium-term plan anchored on the 0-10 Socio-economic Agenda and geared towards the AmBisyon Nation 2040, articulates the Filipino people’s collective vision of a strong, convenient, and secured life. It also takes into account the country’s international commitments such as the 2030 Agenda for Sustainable Development.

The PDP serves as the national blueprint for attaining socio-economic development in the medium-term, which government agencies will follow and private entities will align themselves with. It identifies social entrepreneurship as a viable strategy to expand economic opportunities and increase the proportion of MSMEs (which most social enterprises are part of) as a key outcome in determining progress.

## 2. SOCIAL ECONOMY ENTERPRISE OF PHILIPPINES

### DEFINITION

There is no legislative definition yet but there is a Poverty Reduction through Social Entrepreneurship (PRESENT) Bill that has been filed in the Upper and Lower Houses of the Philippine Congress, which has a definition supported by a broad network of social enterprises, civil society organizations and the academia, called PRESENT Coalition.

Social enterprise (SE) refers to primarily a for-profit organization driven by social mission which was established, whether as non-stock, non-profit, non-government organizations, peoples organizations, foundations, associations, cooperatives, sole proprietorship, partnerships, or corporations, to improve societal well-being as well as ecological sustainability.

A social enterprise shall also refer to a Social Enterprise with Marginalized Sectors as Primary Stakeholders (SEMPS). A SEMPS is a social enterprise that explicitly declares and pursues poverty reduction or improving the quality of life of the marginalized sectors as its principal objective.

A SEMPS engages and invests in the poor to train them into effective workers, suppliers, clients and/or owners, and ensures that a substantive part of the wealth created by the enterprise is distributed to them. In addition to reinvesting its surplus or profit back to the fulfillment of its social mission in a sustainable way, a SEMPS also mobilizes other resources to assist the poor to foster them into partners for SE or value chain management/ governance and partners in community, sectoral and societal transformation (Poverty Reduction through Social Entrepreneurship Bill, June 2020).

### MAJOR SEGMENTS OF SOCIAL ECONOMY ENTERPRISE

SEGMENTS	DESCRIPTION
<b>SOCIAL COOPERATIVES</b>	Out of the 23,672 cooperatives registered with the country's Cooperative Development Authority in 2013, the ISEA SEPPS Study estimated that over 11,000 were SEPPS belonging to a group called social cooperatives (social coops). These are cooperatives composed of and serving the poor. They have an estimated membership of around 4.56 million. The poor include farmers, agrarian-reform beneficiaries, fishers, vendors, the entrepreneurial poor, persons with disabilities and women in all these sectors.

<b>SMD-MFI, SOCIAL MISSION DRIVEN MICRO FINANCE INSTITUTIONS</b>	<p>Among the providers of financial or microfinance services to the poor, the ISEA SEPPS Study estimated that about 2,000 MFIs—reaching some 2.5 million poor—might be considered as SEPPS or social mission driven microfinance institutions (SMD-MFIs). Many of these are non-governmental development organizations that developed microfinance services, including savings, credit and micro-insurance. Many SMD-MFIs have diversified their services to include various forms of social protection, education and training, business development and value chain development.</p>
<b>FTO, FAIR TRADE ORGANIZATIONS</b>	<p>FTOs provide marginalized producers with access to markets using globally recognized fair trade principles. They enable marginalized or small producers by establishing strategic partnerships with them as supplier communities, offering them fair prices for their produce, pre-financing for production, training and capacity building. Fair trade organizations affiliated with the World Fair Trade Organization (WFTO) practice and adhere to a comprehensive WFTO Standard and Guarantee System based on ten fair trade principles. In 2012, there were 32 fair trade organizations registered in the directory of WFTO-Philippines.</p>
<b>TRADO, TRADING DEVELOPMENT ORGANIZATIONS</b>	<p>Trading development organizations (TRADOs) are non-governmental development organizations (NGDOs) engaged in the production and/or trading/marketing of goods and/or provision of economic services (i.e. financial services and enterprise development services). They engage in these economic activities to financially support their development-related operations and to serve specific groups among the poor. A subset in this group of initiatives are the NGDO-owned/initiated social enterprises: these were set up or initiated as commercial or trading arms of their parent NGDOs, and they usually take the form of stock for-profit corporations. The number of TRADOs is difficult to ascertain, but the ISEA SEPPS Study made an informed estimate of 2,500 initiatives in the Philippines.</p>

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<b>NEW-GEN SE, NEW-GENERATION SOCIAL ENTERPRISES</b>	<p>New-generation social enterprises (New-Gen SEs) constitute a rising segment of the social enterprise sector. Unlike the older generation of trading development organizations, which were NGDO-initiated, these initiatives are established by young professionals or entrepreneurs with a social mission to help the poor. It is difficult to ascertain how many New-Gen SEs exist, but this is definitely a group of SEs that is on the rise in the Philippines.</p> <p>(Dacanay, Marie Lisa (2019). Social Enterprise in the Philippines, Social Enterprise with the Poor as Primary Stakeholders)</p>
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## STATUS OF SOCIAL ECONOMY ENTERPRISE

In recent years, there has been a significant increase in the number of new social enterprises (19% annual average). Over 75% of the social enterprises began their operations in the last decade.

Most early-stage and mature social enterprises are registered as non-stock, non-profit corporations; whereas majority of start-up social enterprises are legally organized as stock, for-profit corporations. The reason behind the shift in the preferred legal form of social enterprises over time may be worth exploring further. Anecdotally, earlier social enterprise initiatives originated from development organizations trying to make their operations more sustainable, whereas more recent activities are brought forth by entrepreneurs deciding to integrate social causes into their businesses.

Social enterprise is not yet legally recognized as a distinct type of business entity in the Philippines. Hence, social enterprises are registered as single proprietorships, partnerships, non-stock non-profit corporations, stock for-profit corporations, cooperatives or associations. Most are registered as cooperatives (34.5%), 26% are registered as stock for-profit corporations, and 24% are registered as non-stock non-profit. About 16% are registered as single proprietorship.

Majority of social enterprises are micro-sized with assets of less than PhP 3,000,000. Almost a quarter are small-sized with an asset range between PhP3,000,001 - PhP15,000,000. Almost 14% are medium-sized with an asset range between PhP15,000,001-PhP100,000,000. Large social enterprises account for only 10% with an asset of more than 100M PhP.

Main sectors in which Philippine social enterprises operate are agriculture, marketing and retailing, business development services and entrepreneurship support, livelihoods and

employment creation, financial services, food and nutrition, and tourism.

(Sources: Philippine Social Enterprise Network, 2017. Reaching the Farthest First: The State of Social Enterprise in the Philippines and Institute for Social Entrepreneurship in Asia(2020), Survey on the Impacts of COVID19 to Philippines Social Enterprises)

## POLICIES AND INSTITUTIONS ON SOCIAL ECONOMY

There is no separate government department for social economy enterprises, but the relevant policies are as follows:

Policy Name	Detail of Relevance to Social Enterprise
<b>Corporation Code of the Philippines (B.P. 68)</b>	The Code defines the structure, principles, and legal obligations of any organization registered as either a stock, for-profit or non-stock, non-profit corporation.
<b>Philippine Cooperative Code of 2008 (R.A. 9520)</b>	The Code lays out the foundations for a conducive environment and effective support system to be afforded to cooperatives in recognition of their potential as vehicles of economic development and social justice.
<b>Youth Entrepreneurship Act (R.A. 10679)</b>	The Act promotes the cultivation of entrepreneurial spirit in the Filipino youth through the development of standardized academic programs on finance and entrepreneurship, provision of specialized training and mentoring programs, establishment of incubation labs and creative spaces, and extension of grants and other support services.
<b>Go Negosyo Act (R.A. 10644)</b>	The Act aims to facilitate ease of doing business in the country by hosting business centers, creating a start-up fund, providing technical assistance, and developing curricula or training programs for enterprises, especially for micro-, small- and medium-sized ones.
<b>Microfinance Non-Government Organizations Act (R.A. 10693)</b>	The Act encourages the development of microfinance NGOs that provide the poor direct access to reasonable and affordable credit, business development opportunities, human development services, savings and other programs.
<b>Comprehensive Agrarian Reform Law of 1998 (R.A. 6657)</b>	With a vision of equitable land ownership and empowered agricultural workers, the CARL redistributes public and private agricultural lands to landless farmers irrespective of previous tenurial arrangements and provides technical and financial support to said beneficiaries.



<b>Magna Carta for Micro, Small and Medium Enterprises (R.A. 9501)</b>	Declaring the support for MSMEs as a policy of the State, the Magna Carta legislates expansion of courses and development programs and preferential procurement for MSMEs. It also aims to facilitate their access to funding and support services, improve their networks or linkages, and provide them with proper incentives.
<b>Barangay Micro Business Enterprise Law of 2002 (R.A. 9178)</b>	To integrate those in the informal sector with the mainstream economy, this Law rationalizes bureaucratic restrictions imposed on businesses and grants them incentives.
<b>Social Reform and Poverty Alleviation Act of 1997 (R.A. 8425)</b>	The Act encourages the poor to engage in economic activities through cooperatives and microfinance institutions. It legislates a fund dedicated to capacity building for MFIs and their beneficiaries.

(Source: Dacanay, Marie Lisa (2012). Perspectives on the Policy Environment Affecting Social Enterprises in the Philippines)

## SUPPORT AGENCIES / ORGANIZATIONS

<b>Name of Institution</b>	<b>Social Enterprise Related Activities</b>
<b>Institute for Social Entrepreneurship in Asia</b>	ISEA is a learning and action network set up by social enterprises, social enterprise resource institutions and scholars to catalyze knowledge creation, capacity development and movement-building for social entrepreneurship in the region.
<b>Atikha Overseas Workers and Communities Initiative, Inc</b>	Atikha is a non-government organization that provides economic and social services to overseas Filipinos and their families in the Philippines. The organization aims to help address the social cost of migration and tap the development potential of migration.  Atikha also assists Ekolife OFW Marketing Cooperative, the first marketing cooperative owned and operated by the OFWs and families. It was an initiative led by Pinoy WISE leaders of the different provinces and destination countries in partnership with Atikha. The cooperative is engaged in marketing of coffee, coconut and cacao products. Atikha helps in the technology transfer, sourcing and start-up capital equipment and marketing.

<b>Bayan Academy</b>	Bayan Academy provides learning opportunities for entrepreneurs, organizations, corporate social responsibility units, and other academic institutions. Although it has established programs such as the Grassroots Entrepreneurship and Management Program for entrepreneurs, it can also tailor learning modules around a client's needs.
<b>Philippine Rural Reconstruction Movement, Inc.</b>	PRRM envisions a world free of ignorance, poverty, disease, powerlessness, and where development takes place within the environment's carrying capacity. It pursues building the capacity of rural communities in the planning, advocacy and implementation of sustainable development through an integrated program of education and health, livelihood and social enterprise development, habitat, environment and self governance.
<b>NGOs for Fisheries Reform</b>	The NGOs for Fisheries Reform (NFR) is a national policy advocacy coalition working towards fisheries policy reforms and sustainable fisheries management. It has focused on fisheries policy reform and advocacy at the national and local levels. It has also strongly advocated against government policies on aquaculture and fisheries trade globalization at the expense of municipal fisheries development. The NFR is a national coalition of NGOs formed initially to provide technical support for national fisherfolk federations and coalitions in their lobbying efforts for the passage of a meaningful fisheries code. It has since strived to go beyond this initial unity by sharing experiences in both theoretical and practical work in the fisheries sector and by actively exploring alternative venues for its advocacy work.
<b>Philippine Business for the Environment, Inc.</b>	An advocate of "greener business for greener environment", the PBE portfolio includes management of industry waste exchange and green procurement programs, publication of business and environment content, and coordination with governments and businesses to consolidate or align efforts.
<b>Caritas Manila, Inc</b>	Caritas Manila is a leading, religious non-profit organization operating in the Philippines, with social services and integrated family development programs for the poor and

	the vulnerable. Its key intervention programs for poverty alleviation are in education and economics to benefit its youth and family partners.
<b>Foundation for These-Abled Persons, Inc.</b>	Established by individual members of the National Federation of Cooperatives of Person with Disability (NFCPWD) and its supporters, FTI is an enabler of PWD organizations to be economically self-sufficient and meaningfully participative in an inclusive and supportive environment.
<b>Social Enterprise Development Partnerships, Inc.</b>	SEDPI's vision is to be a sustainable group of social enterprises for the economic empowerment of the poor. SEDPI provides services to organizations that aim for economic empowerment of the poor. These organizations include, but are not limited to, international aid organizations, government institutions, microfinance institutions such as cooperatives, rural banks and non-government organizations, migrant organizations, local and international funding agencies, academic institutions, and social enterprises among others.
<b>Alliance of Philippine Partners in Enterprise Development</b>	APPEND envisions a progressive society where people live with dignity, sufficiency, and responsibility towards others. It commits to help eradicate poverty and to promote national transformation by contributing to the development of socially responsible micro and small entrepreneurs.
<b>Oxfam sa Pilipinas</b>	<p>Oxfam's vision is a just world without poverty: a world in which people can influence decisions that affect their lives, enjoy their rights, and assume their responsibilities as full citizens of a world where all human beings are valued and treated equally.</p> <p>Oxfam sa Pilipinas has been working in the country for over 25 years. In the Philippines, their goal is to contribute to the eradication of poverty by supporting women and other vulnerable groups, saving lives and building livelihoods, enhancing their resilience to crises, shocks and stresses, and making their voices heard to hold duty-bearers accountable.</p>

<b>Sustainable Integrated Area Development Initiatives in Mindanao-Convergence for Asset Reform and Regional Development</b>	SIMCARRD Inc. is a Mindanao-wide NGO network implementing programs on participatory governance, asset reform, sustainable agriculture, social enterprise, and peace-building. Under its Social Enterprise program, SIMCARRD undertakes actual social enterprise projects promoting community-based sustainable agriculture and livelihoods; access to markets through alternative and collective market engagement/linkage by local communities; and measures to address sustainability issues of local service providers.
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## SOCIAL FINANCE & IMPACT INVESTMENT

<b>Name of Institution</b>	<b>Social Enterprise Related Activities</b>
<b>Manila Angel Investors Network</b>	<p>MAIN is the largest committed private investors network in the Philippines, which was formed to support the country's startup ecosystem by connecting investors with promising early-stage companies. Apart from providing capital funding, it also mentors entrepreneurs, provides expertise support, and opens networking opportunities. This innovative startup ecosystem will benefit both MAIN members' portfolio and overall growth of Filipino startups.</p> <p>MAIN has invested in Seed and Series A rounds with over \$1 million in six startups in the last 18 months. Two further investments are currently in due diligence. Four of its initial investments to date can be characterized as "impact-focused" in the areas of financial inclusion, employment and education. The group is currently assisting four of its seed investments to raise Series A rounds. More importantly, it has seen one investment exit at a 4.5x increase in valuation.</p>
<b>Ignite Impact, The Philippine Impact Fund</b>	<p>Ignite Impact Fund is dedicated to eradicating extreme poverty in the Philippines. It plans to invest in innovative startups that address both poverty of income and of access - coincidentally in cities and islands where the opportunity is also greatest. These early-stage companies will have a clear path to revenue generation within 1 year, while growing companies will have a track record of over a decade and existing community partners; both types of companies will drive inclusive, sustainable, and socially responsible economic growth in the country. The fund screens for a clearly</p>

	<p>embedded strategy and structure for achieving their social and environmental impact targets prior to investment. This enables the fund to focus predominantly on financial returns and managing the friction points between purpose and profit during the investment life.</p>
<b>Impact Investment Exchange Asia</b>	<p>IIX Foundation empowers marginalized people and protects the planet by scaling the positive impact of social innovators by fostering growth, maturity and market readiness of impact enterprises and other social innovators.</p>
<b>NeoFin Foundation</b>	<p>NeoFin is a social impact investor for environment-friendly power generation solutions in emerging markets.</p>
<b>Oikocredit International</b>	<p>An international cooperative that provides loans, capital and capacity building to microfinance institutions, cooperatives, fair trade organizations, MSMEs and renewable energy projects, which promote sustainable development.</p>
<b>Ashoka Philippines</b>	<p>With the vision, Everyone A Changemaker, Ashoka supports social entrepreneurs by providing critical financial support and helping them achieve maximum social impact.</p>
<b>Foundation for Sustainable Society, Inc.</b>	<p>FSSI is a social investment organization managed by 20-member network of development organizations committed to support social enterprises through social entrepreneurship. Since 1995, it has been developing economically sound and environment-friendly social enterprises in marginalized communities that are owned, managed and operated by the poor.</p>
<b>MicroVentures, Inc</b>	<p>MVI is composed of dedicated professionals who aspire to be the leading partners of micro entrepreneurs in the country. Through micro financing, they empower socially and economically challenged families. Hapinoy, a program of MicroVentures, aggregates and organizes the country's informal sari-sari stores into a network and community.</p>
<b>Xchange Inc</b>	<p>Xchange, Inc. is an impact investment firm established in 2012, which provides both financial and non-financial support services to early-stage social enterprises.</p>

## NETWORKS OF SOCIAL ECONOMY ENTERPRISES

<b>Peace and Equity Foundation</b>	Peace and Equity Foundation (PEF) adopted social enterprise development as a strategy to transform poor households to become self-sustaining. PEF invests in social enterprises related to agriculture and provision of basic social services. PEF as a foundation serves to transform organizations into viable and scalable social enterprises. It has also created the Peace and Equity Holdings, Inc. to act as investor in for-profit organizations whose SE ventures are matured enough to scale and the Social Enterprise Institute that will prepare enterprise and entrepreneurs investor-ready.
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<b>Name of Institution</b>	<b>Social Enterprise Related Activities</b>
<b>Poverty Reduction through Social Entrepreneurship Coalition</b>	The PRESENT Coalition is an alliance of social enterprise practitioners, advocates, NGOs and members of the academia who have joined together to advance social entrepreneurship as an approach to poverty eradication and economic development. The Coalition is the principal proponent of the PRESENT Bill in Congress and Senate.
<b>Philippine Social Enterprise Network</b>	PhilSEN is a network of NGOs, development institutions, civil organizations, and cooperatives engaged in social enterprise promotion and development. It is committed to building the capacities of its members through a variety of technical services and to advocating policy reforms that would create a more nurturing environment for social enterprises.
<b>National Confederation of Cooperatives</b>	NATCCO began as the National Association of Training Centers for Cooperatives (NATCCO), formed by cooperators who believed that the task of co-op development lay primarily in the hands of the private sector. These leaders believed in self-help and in the idea that through co-operation, people can create opportunities for themselves to improve their socio-economic well-being. NATCCO is the biggest federation of co-ops in the Philippines, in terms of geographical reach, membership, financial capacity and array of services. It now has around 5.1 million individual members coming from 812 co-ops and NGOs. The 812 cooperatives have combined assets of more than P150 Billion.

<b>VICTO National Cooperative Federation</b>	VICTO National is a federation of cooperative societies, which provides various services to its members and other clients. These include education and training; consulting; project development, business incubation and enterprise development. Employing 30 persons, VICTO National brought together 250,699 individual members.
<b>Federation of Peoples' Sustainable Development Cooperative</b>	<p>FPSDC is a federation of organizations that provide financial and non-financial services to empower marginalized sectors, ensuring the development of stakeholders (people) and the preservation of the environment (planet), while ensuring economic viability and equitable growth (prosperity), in the hope of promoting harmonious coexistence within and among communities (peace).</p> <p>Throughout the years, FPSDC has forged partnership that transcend mere borrow-creditor relationships by not only providing access to financing but also supporting member-organizations to become more efficient and effective in their operations through technical training, coaching and facilitating strategic partnerships with other organizations and their initiatives.</p> <p>FPSDC also encourages member organizations to support advocacies on sustainable agriculture and to engage in activities that take into consideration the 4Ps of sustainable development namely, People, Planet, Prosperity, and Peace.</p>
<b>Philippine Coffee Alliance</b>	Formed in 2013, the PCA is a network of 53 organizations that aims to help coffee farmers improve their way of living. PCA aims to serve as the platform for them to have a unified stand and voice and to be heard as a stakeholder in the industry. It also intends to connect the small stakeholders to the government and industry.
<b>Association of Negros Producers</b>	The ANP promotes and lobbies for the interests of small- and medium-sized producers in Negros. It promotes cooperation among producers, between producers and the government, and between producers and the business sectors.

<b>Philippine Family Farmers Agriculture Fishery Forestry Cooperatives Federation</b>	<p>AgroCOOPh is a national federation of agri-fishery-forestry cooperatives whose members are small-scale family farmers. These cooperatives are engaged in various agro-industrial commodities. It also assists cooperatives build capacity in governance, internal control, enterprise development, access to finance, farm inputs, agricultural machinery, technology and markets as well as partnership with government and agribusiness organizations. Their services include capacity building and consultancy, business development service, and supply and marketing services.</p>
<b>Microfinance Council of the Philippines</b>	<p>MCPI is the national network of microfinance institutions working towards sustainable, innovative and client-responsive solutions to poverty in the country. MCPI is currently comprised of 57 institutions, including 47 practitioners and 10 support institutions. Its regular members include 26 non-government organizations, 13 banks, 6 cooperatives, and 2 regional networks.</p> <p>The key programs of MCPI include advocacy, capacity building for microfinance institutions, social performance management, performance monitoring and benchmarking, the establishment of a knowledge and resource center, and network strengthening.</p>
<b>Asian Solidarity Economy Council- Philippines</b>	<p>ASEC Philippines is registered as a non-profit organization with the Securities and Exchange Commission of the Philippines. Its mission is to promote SSE as a means of developing “bottom-up” inclusive, resilient, and sustainable communities in the Philippines. It promotes SSE by organizing roundtable discussions, workshops, seminars, conferences, and training courses. It has also inspired the formation of the Young Entrepreneurs for Solidarity Economy (YESE) Cooperative, a cooperative of young professionals largely composed of scholars of APPEND (a partner organization of ASEC-Philippines).</p>



**RESEARCH  
INSTITUTION &  
UNIVERSITY**

<b>Name of Institution</b>	<b>Social Enterprise Related Activities</b>
<b>Ateneo Center for Social Entrepreneurship</b>	ACSEnt's fundamental priority is developing an ecosystem comprised of multi-sector partners to support and enhance the creation of programs in research, education and training, advocacy and incubation.
<b>Ateneo de Manila University</b>	Aside from the dedicated Master in Social Entrepreneurship program it offers, ADMU hosts a variety of other SE-related introductory seminars, leadership forums, youth initiatives, and trainings.
<b>De La Salle University</b>	The newly-created La Sallian Center for Social Entrepreneurship aims to establish and operationalize a social enterprise incubation facility, mainstream social entrepreneurship and social innovations, integrate learnings from community engagement and development into the curriculum, and partner with public and private organizations for capacity building and knowledge sharing.
<b>University of the Philippines</b>	Through its College of Social Work and Community Development, courses on community enterprise and cooperative development are offered to practitioners, policy-makers and academics. The university also has the Institute for Small-scale Industries, which continues to innovate training and extension programs and produce researches and policy papers for the MSME sector.
<b>Father Saturnino Urios University</b>	FSUU offers a baccalaureate degree in social entrepreneurship as part of their Business Administration undergraduate program.
<b>PAMULAAN Center for IP Education University of Southeastern Philippines</b>	Pamulaan offers full-time degree courses as well as short-term training courses on social entrepreneurship under the Bachelor of Science program. This is part of their leadership and capacity building program, which responds to creating sustainable development mechanisms for indigenous peoples in the Philippines.
<b>Mindanao State University- Iligan Institute of Technology</b>	MSU-IIT has its Center for Innovation and Technopreneurship ,which is the first business incubator funded by DOST. The center aims to create a progressive entrepreneurial ecosystem through various community building activities

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and technology-based business support services to enable budding entrepreneurs in the region to fulfill their startup dreams. It offers an incubation program that includes business mentoring and trainings, IP supports, infrastructures and linkages to potential partners, mentors and investors.

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**University of San  
Carlos**

The Center for Social Entrepreneurship under the School of Business and Economics aims to bridge higher education, international development, and commercial sectors to develop local capacity and accelerate the success of promising social entrepreneurs (SE) on their paths to positively impact hundreds of thousands of lives. In addition, the presence of the center will accelerate social entrepreneurship in Cebu City and anchor the social enterprise movement in Cebu and more broadly across the Pacific Islands region.

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**PUBLIC  
AWARENESS ON  
SOCIAL ECONOMY**

There is rising awareness on social enterprise/social entrepreneurship thanks to social and mainstream media, universities, practitioners, and advocates. There are multiple trade fairs participated by social enterprises that are local, regional, and national in scale.

Over the years, there have been social development projects across the Philippines using social entrepreneurship as an approach and strategy to development programming. There is still more to be done, and partnership with government as well as the enactment of the social enterprise law will definitely help not just in raising awareness but also in mainstreaming and incentivizing the practice of social entrepreneurship.

**INTRODUCTION  
OF ISEA**

Set up in 2008, the Institute for Social Entrepreneurship in Asia (ISEA) is a leading resource organization in the practice and advocacy of social entrepreneurship to address poverty, inequality and sustainability in the Asian region. ISEA's membership includes leading social enterprises, social enterprise resource institutions and scholars from 9 countries across Asia. Its regional office is in the Philippines and is hosted by the Ateneo de Manila University John Gokongwei School of Management through the Ateneo Center for Social Entrepreneurship.

ISEA has undertaken pioneering research, education and platform building initiatives to make social entrepreneurship a major pathway to achieve the Sustainable Develop-

ment Goals (SDGs). It catalyzed the setting up of the Poverty Reduction through Social Entrepreneurship (PRESENT) Coalition in 2012, which continues to pursue lobby efforts for the PRESENT Law in the Philippines. It has led multi-country action research initiatives, which evolved into a post-2015 social enterprise sector agenda focused on Poverty Reduction and Women's Economic Leadership and a platform promoting a set of Benchmarks for Transformational Partnerships and Women's Economic Empowerment in Agricultural Value Chains (BTP WEE in AVCs). In partnership with Oxfam and the Swedish Embassy in Bangkok, these benchmarks are serving as the basis for engaging enterprises, governments and resource institutions to mainstream policies, programs and practices that promote inclusion, resilience and women's economic empowerment in agricultural value chains in Southeast Asia and beyond.

ISEA's publications include *Measuring Social Enterprise: A Resource Book on Social Enterprise Performance Management* (2009) and *Social Enterprises and the Poor: Transforming Wealth* (2013), featuring how different ways that social enterprises engage the poor impact on the poor differently.

Among the education, training and consulting services that ISEA has delivered to practitioners and enablers of social entrepreneurship in Asia are Social Entrepreneurship 101, Strategic Management of Social Enterprises, Measuring Social Enterprise Impact and Benchmarking, Scaling Up Biodiversity Friendly Enterprises Through Social Entrepreneurship, Transformational Tools for Social Enterprises and Inclusive Businesses in Agricultural Value Chains, and Social Enterprise Financial Management and Social Return on Investment.

In September 2020, ISEA, together with partners, launched the Multi-stakeholder Platform on Women's Empowerment, Livelihoods and Food in Agricultural Value Chains (WE LIVE FOOD in AVCs) to serve as a platform for learning exchange and building a community of practice around inclusive recovery and the Benchmarks for Transformational Partnerships and Women's Economic Empowerment in Agricultural Value Chains (BTP WEE in AVCs). It serves as a cooperation platform among AVC stakeholders to synergize, make collaborative impact on achieving inclusive recovery, and practice the BTP WEE in AVCs to build back fairer supply chain and contribute to the 9 SDGs relevant to pandemic recovery.

ISEA aims to serve as a collaborative platform among AVC stakeholders to develop and advocate changes in government policy and programs that promote inclusive recovery and enable or incentivize the practice of the BTP WEE in AVCs in ASEAN, ASEAN Member States and beyond; to serve as a collaborative platform among AVC stakeholders

to develop partnerships and generate resources and support from the business sector, financial institutions, social investors, national governments and multilateral agencies to sustain and broaden the outreach and impact of the platform as a means of implementation for the achievement of the 9 SDGs relevant to pandemic recovery.

Other MSPs under development are: Decent Work for All in Sustainable Value Chains; Rural Revitalization, Youth and Social Entrepreneurship; Health for All; and Technological Innovations for Sustainable Development.

ISEA serves as the focal point for the Social and Community Enterprise Constituency of the Asia Pacific Regional CSO Engagement Mechanism (AP-RCEM) engaging the UN System.

# 06

## KOREA

### 1. DETAILS

#### Population and Industry Characteristics

##### DISTRIBUTION OF POPULATION

0-14 years of age	12.4%
15-64 years of age	72.7%
over 65 years of age	14.9%

- The elderly population accounted for 14.9 % in 2019, a five-fold increase from 3.1 % in 1970, and is expected to increase to 46.5 % in 2067.
- birth rate: the global average was 2.47 in 2015-2020, and Korea's total birth rate was 1.11 in the same period.
- Gini's coefficient(2018, Statistics Korea)  
Gini coefficient based on disposable income was 0.345.

##### INDUSTRY CHARACTERISTICS (2019, BANK OF KOREA)

Service	57.1%
Manufacturing	25.3%
Construction	5.5%
Electricity, Gas and Waterworks	1.9%
Agriculture, forestry and fisheries	1.6%

<b>Mining industry</b>	0.1%
<b>net production tax</b>	8.5%

## Major Social Problems

According to the Sustainable Development Committee's Report on establishing the National Sustainable Development Goals 2019 (A Report on Korean-Sustainable Development Goals(K-SDGs)), the factors contributing to the vulnerability of Korea's sustainability are as follows:

- Social Problems: Due to the persistent low birth rate and population aging structure, there is concern that the working age population as of 2017 will sharply 50 years, weakening the foundation for social sustainability. In addition, the relative poverty rate of senior citizens has to 7.9 in 2003. Furthermore, the proportion of adults with expenditure by income class is also increasing.
- Economic problems: As Korea enters a low-growth era without employment, the potential growth rate, which stood at around 3% in 2018, is expected to fall to 2% range in the 2020s and to 1% range in the 2030s, undermining the basis for sustaining the economy. Korea's youth employment rate was 42.1%, which is lower than the OECD average of 53.3% in 2017. In addition, the domestic food self-sufficiency rate was 23.8% in 2013-2015, which is significantly lower than the global average (102.5%), posing a big threat to food security.
- Environmental problems: Environmental sustainability is threatened by climate change, waste, and extinction of plants and animals. This has become a common problem for countries around the world. Due to climate change, Korea faces more frequent droughts and heat waves. And due to increasing plastic wastes, the speed of damage on the ecosystem, health, the survival of animals and plants is intensifying, thus urgent response is needed.
- The fact that Korea is only divided nation in the world has been significantly affecting Korea's sustainability. Defense budget accounted for 11% of the total government budget in 2013, and the direct economic loss caused by the division amounts to 16 trillion won.

## National Development Strategy

The focus of Moon Jae-in administration has been ‘revitalization of social economy.’ Starting with a comprehensive plan on revitalizing the social economy, various policies on finance, social ventures, and training the talent have been pursued. Major government policies related to social economy are as follows:

No.	Policy	Description
1	Social Economy Activation Plan	Establish a two-track development strategy to transform the paradigm and create a virtuous cycle ecosystem so that the social economy can grow into a driver of inclusive growth (by building a growth infrastructure and expanding the fields covered by social economy)
2	PyeongChang Winter Olympics Legacy Creation Plan for Better Social Integration	Empathy and healing (expanding participation of the marginalized), coexistence and cooperation (association with social economy), regional innovation (use the Olympics as a trigger for building development infrastructure), promotion of the Olympics for peace and harmony (Peace Olympics with North Korea’s participation)
3	Social Finance Activation Plan	Support the establishment of social finance wholesale providers, foster social finance intermediaries, expand participation of private investors; promote social finance by strengthening the roles of the government and the public sector
4	Job Creation Strategies by Activating Social Ventures	Create jobs by clearly defining the concept of social ventures and spreading the value evaluation system; establish social venture hubs for young people; revitalize social venture start-ups and promote growth
5	Comprehensive Plans for Human Resources Development in the Social Economy	Promote the inflow of human resources, foster leaders, strengthen the capacity and expertise of workers of social economy enterprises, and foster talents through the establishment of social economic foundation

6	Phase 2 of Innovative Growth Strategy of Science Engineering Technology Cooperative	By promoting the development of existing cooperatives and the formation of new ones, foster 1,000 science and technology cooperatives, create 10,000 jobs, upgrade science and technology services, and promote specialization by 2022.
7	Measures to Vitalize Self-Sufficiency Enterprises	Promote active cross-ministerial cooperation to support self-help companies, start-ups and market independence; promote the creation of 1,000 self-help companies and 20,000 jobs by 2022.
8	Plans to promote village management cooperative projects for sustainable urban regeneration	Support commercialization and operation of projects such as housing management service, house repair service, social housing, and energy independence by fostering and managing the village management cooperative, a consumer cooperative made up of local residents
9	Support Plan for Cooperatives in Schools to Revitalize the Social Economy	Establish and support cooperatives in schools and utilize them to create opportunities to experience social economy and expand its adoption in the region.
10	3rd Master Plan for Social Enterprise Development ('18~'22)	Policy paradigm shifted from government-led "cultivation of social enterprises" to "creating an ecosystem where social enterprises can grow on their own." The plan is aimed at triggering the entry of various social enterprises, providing support for social enterprises with social values, creating an ecosystem for social economy growth, establishing support systems centered on the region and the private sector, and expanding international cooperation, etc.



11	Social Housing Activation Plan	Create a residential environment, where the underprivileged can live with their neighbors for a long period of time at low cost, by expanding the supply of social housing, realize various social values, support social economy enterprises and strengthen their capabilities, and build a foundation for social housing activation.
12	Support Plan for fostering self-sufficiency associations of persons with developmental disabilities by social economy	Induce the conversion and settlement of self-help groups of people with developmental disabilities, which have been voluntarily organized and operated by the private sector; Expand participation of social economy enterprises in caring for the developmentally disabled and providing education and cultural arts and sports services.
13	Social Agriculture Promotion Strategy	Build a warm harmonious village by systematically fostering social agriculture and sales support and help the socially disadvantaged such as the disabled and the elderly to become independent through agricultural activities.
14	Plan for Raising the Social Value of the Lottery Fund	Reorganize the operation of the Lottery Committee, discover social value projects, establish social value evaluation indicators, and promote social value through public information disclosure.

## 2. SOCIAL ECONOMY ENTERPRISE OF KOREA

### Definition

In Korea, social economy means all private sector economic activities that create social value through cooperation and self-help among members and the production and distribution of goods and services. In other words, social economy refers to economic activities that are based on the participation of members and are made at the boundaries of the state and market to pursue social values.

The characteristics of the social economy:

- (Autonomous and democratic) Rather than economic efficiency, it is operated through voluntary participation of members and autonomous management through democratic decision-making, such as one vote per person.
- (Social integration) It prioritizes social values such as sharing profit among members, creating jobs for vulnerable groups, and contributing to the community rather than seeking profit-making.
- (Solidarity and cooperation) Citizens form communities voluntarily to solve social problems and realize social values and cooperate with each other.
- (Competition and Complement) It functions as an alternative to complement failures of markets and governments in solving social problems while competing with general commercial enterprises.

### The Four Major Types Of SEEs - Concepts And Legislative Grounds

Social enterprises, cooperatives, village companies, and self-sufficiency enterprises are the four major types of social economy enterprises in Korea, and the concept and the legal grounds are as follows:

Type	Concept	Legal Ground	Relevant Ministry
<b>Social enterprises</b>	An entity that pursues social objectives aimed at enhancing quality of life of community residents while generating profit for the business or the local community, putting a priority on its shareholders or the owner of the company.	Social Enterprise Promotion Act(SEPA, 2007)	Ministry of Employment and Labor (MOEL)

<b>Cooperatives</b>	A business with joint ownership and democratic management, which provides people with great opportunities to meet various social and economic needs such as employment and welfare.	Framework Act on Cooperatives (FAC, 2012)	Ministry of Economy and Finance (MOEF)
<b>Village companies</b>	A village-based enterprise established and run by local residents, who mobilize local resources to sustain for-profit projects necessary to solve community problems and promote community interests through income and job creation.	Village Company Promotion Program: Implementation Guide (2010)	Ministry of Public Administration and Safety (MOPAS)
<b>Self-Sufficiency enterprises</b>	Producer cooperatives or other such forms of enterprises run by one or more persons-in-need, using the skills they have acquired by participating in self-help and public works projects at local self-sufficiency centers.	National Basic Living Security Act (NBLSA, 2012)	Ministry of Health and Welfare (MOHW)

### Status Of Social Economy Enterprise

Korea's four major social economy enterprises are growing quantitatively every year, and major service sectors are different for each type of social economy enterprises. The status of four Korean SEEs

Type	Number of certified social enterprises			
	'16	'17	'18	'19
<b>Social enterprises</b>	1,713	1,877	2,122	2,435
<b>Cooperatives</b>	10,331	12,356	14,550	16,846
<b>Village enterprises</b>	1,377	1,442	1,514	1,592
<b>Self-sufficiency enterprises</b>	1,186	1,092	1,211	1,176
<b>Total</b>	14,607	16,767	19,397	22,049

## Major service sectors by type

### Social enterprise

Culture & Arts	Cleaning	Education	Social Welfare	Environment	Care, House-keeping support	Etc.
10.9%	9.3%	8.7%	4.9%	4.8%	4.1%	57.3%

Others: Tourism, health care, childcare, forest conservation, cultural properties, food manufacturing and sales, household goods manufacturing and sales, etc.

### Cooperatives

Wholesale & Retail	Education	Agriculture, Forestry and Fishing	Manufacturing	Association, Group	Health & Social Welfare	Etc.
22.1%	15.0%	9.4%	8.9%	6.5%	5.4%	32.7%

Others: publishing and visual industry, accommodation and restaurants, science and technology, business facility management, construction, etc.

### Village companies

General Food	Traditional Food	Tourism Experience	Craft	Culture & Arts	Education	Etc.
43.0%	14.4%	12.7%	5.7%	4.3%	4.1%	15.8

Others: recycling, distribution, clothing, logistics, delivery, social welfare, energy, etc.

### Self-sufficiency enterprises

Cleaning & Disinfection	House Repair	Food· Lunch Box	Caring & Care	Waste Resources Recycle	Service· Car Wash	Etc.
21.5%	18.1%	16.2%	9.5%	4.8%	2.85%	27.3%

## Policies, Systems And Government Departments Associated with

In Korea, since 2000, various social economy enterprises have been active thanks to support policies for social economy launched by each ministry, and the number of social economy enterprises has been rising as a result of the government's efforts. Although it is still insufficient compared to major advanced countries, the central government has

## Social Economy Enterprise

been working to establish a foundation for fostering social economy enterprises by legislating laws related to social economy and implementing pilot projects. The local governments and the private sector are also striving to vitalize social economy by stimulating support and investment.

The legal grounds\* and framework acts for vitalizing social economy\*\* have been introduced to enable ministries to grant certification and provide management and financial support.

\* Social Enterprise Promotion Act, Framework Act on Cooperatives, National Basic Living Security Act, etc.

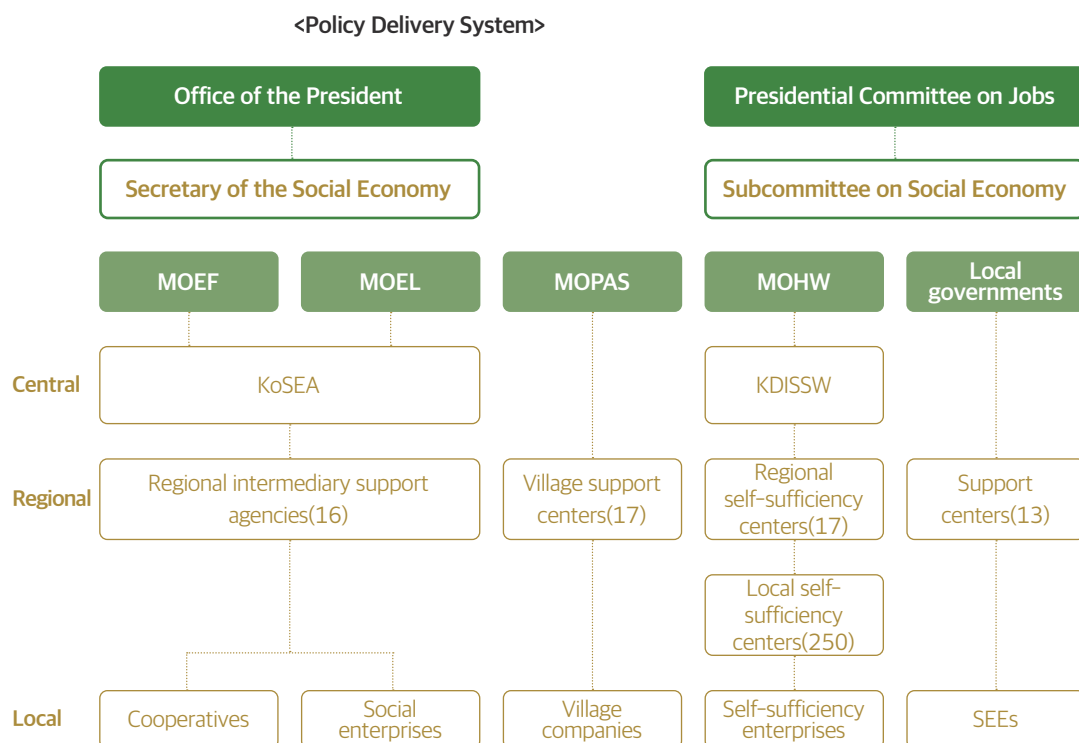
\*\* Basic Plan for Development of Social Economy Enterprises (Ministry of Employment and Labor), Basic Plan for Cooperatives (Ministry of Economy and Finance), etc.

### Major Support policies for Each Type of Social Economy Enterprises

Type	Direct Support	Indirect Support	
		Common	Individual
<b>Social enterprise</b>	Labor cost, social insurance premium, business development cost	Sales channel support, education and promotion, consulting, startup and operation support, policy financing, etc.	Tax benefit (corporate tax, income tax, VAT reduction, donation recognition, etc.), fund-of-funds
<b>Cooperative*</b>	-		-
<b>Village company</b>	Business fund support		-
<b>Self-sufficiency company</b>	Labor cost, Business fund support, start-up fund, consulting cost		Business and facility financing

\* Based on the basic principles of cooperatives such as self-sufficiency and autonomy, government support is centered on indirect support.

Intermediate support agencies have been established at the regional and local level to provide various support policies including start-up support, public relations, human resource development, and business model development.



Korean social economy policy today rests upon a systemic structure of several statutes that put different departments of the central government in charge of support for different types of SEEs. These include the SEPA(2007,MOEL), the FAC(2012, MOEF), the NBLSA(2012, MOHW), and the Implementation Guide for the Village Company Promotion Program(2010, MOPAS).

\* The three bills for social economy, i.e.the Framework Act on the Social Economy, the Special Act on Promotion and Marketing of SEEs' Products, and the Framework Act on the Realization of Social Values, are pending before the National Assembly today.

The Ministry of Employment and Labor(Social Enterprise), Ministry of Economy and Finance(Cooperative), Ministry of Public Administration and Security(Village Company), and Ministry of Health and Welfare(Self-Sufficiency Enterprise) are the government departments in charge of the four major social economy enterprises. Ministry of SMEs and Startups, Ministry of Culture, Sports and Tourism, Ministry of Trade, Industry and Energy, Ministry of Education, Ministry of Land, Infrastructure and Transport, Ministry of Agriculture, Food and Rural Affairs, and Financial Services Commission are implementing social economy related support programs. The main programs are as follows:

Department	Programs
<b>Ministry of Employment and Labor</b>	<ul style="list-style-type: none"> <li>· Fostering (young) social entrepreneurs</li> <li>· Regional, policy-linked project for supporting start-ups</li> <li>· Providing a centralized platform for marketing SEE products</li> <li>· Establishment of Social Enterprise Growth Support Centers</li> <li>· Fund of funds</li> </ul>
<b>Ministry of Economy and Finance</b>	<ul style="list-style-type: none"> <li>· Vitalization of cooperatives</li> </ul>
<b>Ministry of Public Administration and Security</b>	<ul style="list-style-type: none"> <li>· Fostering village companies</li> <li>· Fostering local initiatives for creating jobs for young adults</li> <li>· Development of communication and collaboration spaces by region</li> <li>· Projects to translate above efforts into local assets</li> </ul>
<b>Ministry of Health and Welfare</b>	<ul style="list-style-type: none"> <li>· Support for activation of self-sufficiency enterprises</li> <li>· Support to foster social economy in the field of social service</li> <li>· Fostering self-sufficiency associations of persons with developmental disabilities</li> <li>· Flagship project on integrated community care services</li> </ul>

## Support Organizations

Intermediate support agencies for social economy: An organization that serves as a bridge between central administrative agencies or local governments and social economy enterprises; promotes cooperation and solidarity among social economy organizations, and creates an ecosystem. Intermediate support organizations at the regional level include regional intermediate support agencies for social enterprises and cooperatives (16 selected by Korea Social Enterprise Promotion Agency), village support centers (17 including some that also serves as regional intermediate support agency for social enterprises/cooperatives), and regional self-sufficiency centers (11 selected by Korea Development Institute for Self-Sufficiency and Welfare) as well as other municipal- and local-level social economy support centers designated and operated by local municipalities.

Private social economy support agencies: Private institutions that support social economy enterprises include MYSC(MERRY YEAR SOCIAL COMPANY), ROOT IMPACT, and IMPACT SQUARE. As a consulting and impact investment institution specializing in social innovation, MYSC provides consulting, supports the growth of innovative startups,

invests in companies with an explicit objective to create social and environmental values, and operates impact funds. Root Impact discovers change-makers interested in and dedicated to solving various problems in innovative ways. It also provides tangible and intangible infrastructure for work, life, and learning by operating co-working communities and offering business support services and shared housing to enable effective and sustainable resolution to social problems. Impact Square is an institution that helps combine social values and businesses through social venture growth support, impact business consulting, research and social value measurement, reporting and evaluation, and shared office operation.

## Social Finance And Impact Investment

**Korea's social finance is mainly carried out with government and public resources within the existing policy finance support system for small and medium-sized enterprises and the working class, but voluntary social finance using private resources is also gradually expanding.**

### - Public finance

- Loans: The Korea Inclusive Finance Agency uses dormant deposits to lend loans to social economy enterprises for use as security deposits, facilities/operation funds, etc. It also offers credit ratings service by calculating credit ratings according to the Social Value Index (SVI), and also gives interest rate cuts to social enterprises with good ratings. The Korea SMEs and Startups Agency provides customized support to companies whose sales are equivalent to SMEs based on the business's stage of growth (start-up, growth, and restart) by lending policy funds over the long term at a low interest rate.
- Credit guarantee: Korea Credit Guarantee Fund and regional credit guarantee foundations help social economy enterprises take out loans from banks by providing credit scoring and issuing guarantee letters to social economy enterprises with insufficient collateral through special credit guarantee system.
- Investment: Investments in social economy enterprises using public funds – include social investment funds and fund-of-funds. The social investment fund supports economic activities that create social value based on cooperation and self-sufficiency. Examples include the Korea Social Fund, created with KRW 7.5 billion invested by the Korea Exchange, the Korea Securities Depository, and the Korea Securities Finance Corp. and KB Social Investment Fund created with KRW 75 billion invested by KB Foundation and KB Asset Management.
- The fund-of-funds was created by the government's initial injection of funds to in-



vest in individual funds (investment unions) to enable social enterprises to finance initial funds for R&D and facility expenses through investment from the private capital market.

- Social impact bonds(SIB): This is an innovative way to solve social problem by addressing the government's financial shortage and corporate social responsibility demands at the same time. When private sector invests in public projects, the government pays principal and reward. Currently, the Seoul Metropolitan Government's project to support children with learning disabilities (slow learners) and the project to address youth unemployment as well as the Gyeonggi Provincial Government's project to provide jobs for people on welfare through SIBs.

#### - Private finance

- Impact investment: Major impact investment institutions in Korea include SOPOONG, CREVISSE PARTNERS, D3 Jubilee, Korea Social Investment and The Happiness Foundation. When looking at Korea's impact investment by business life cycle, most investments are made in the SEEDING stage, and the size of the investment is still small. Investments made in the ANGEL, a pre-SEEDING stage, and post-growth phase are still minimal.
- Crowdfunding: Crowdfunding refers to the act of an entity in need of cash collecting funds directly from an unspecified number of people (CROWD) through social network. Examples of crowdfunding platforms for social economy enterprises include OH MY COMPANY and BPLUS.
- Self-help finance: An example of a self-help fund is the Solidarity Mutual Fund(SMF), which is created with the funds paid by social economy organizations to help each other and to support stable operation of social economy enterprises in times of emergency or in need of fund for injury compensation.
- Wholesale Fund: The Korea Social Value and Solidarity Foundation was launched in January 2019 and manages the wholesale fund established through public-private co-operation. Major projects include providing patient capital, supporting projects aimed at preventing and solving social problems such as the SIB, fostering social finance intermediaries and establishing the infrastructure for the social investment market.

#### Measuring the value of social economy

- Social Value Index (SVI):  
The SVI is an index KoSEA has developed to evaluate the social value and impact of

SEEs. The results are used to help SEEs self-evaluate and to select qualified candidates for the policy support programs. The SVI consists of 14 indicators across three areas of performance: social, financial, and innovative performance with the greatest weight given to social performance. The index is updated annually based on feedback from diverse stakeholders.

· SEE Evaluation Model

The Korea Credit Guarantee Fund(KCGF) and KoSEA have jointly developed the Social Economy Enterprise Evaluation Model in an effort to facilitate decision-making on social finance in ways that reflect the characteristics of SEEs. The pilot model was first introduced in 2018.

Since 2019, the KCGF has developed its own evaluation index of for SEEs in general, and the KoSEA has developed one for cooperatives, which is comprised of 1) adherence to its operational principles as an SEE (60-70%) and 2) feasibility for financial support (30-40%) that measures its credit risk.

· Social Progress Credit (SPC)

The Social Progress Credit(SPC) developed by SK measures and rewards social enterprises for their contributions to solving problems in terms of monetary value. I). the SPC measures the social performance of social enterprises by first measuring and examining the outcomes of its activities that cater to its social mission and core business,, II) it gauges “unrewarded social performance,” which refers to achievements not compensated by the market’s price mechanism and institution, III) it estimates and converts the value of benefits that the enterprise has generated for intended beneficiaries into a market price, and IV) it compares the enterprise’s performance to the performance of possible alternatives, such as governments, nonprofit organizations and for-profit businesses.

Networks  
Of SEEs

<b>Korea So- cial Economy Network(KSENET)</b>	This is a leading organization founded and run by SEEs, which work with one another to protect the autonomy and independence of the Korean social economy through solidarity. The current KSENET came into being in November 2012 as a result of the merger between two organizations, the Social Economy Solidarity Council and the Council for the Enactment of the FAC, both of which were established to raise public awareness and support for legislation of the SEPA and the FAC. The organization provides networking
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	opportunities and education and training opportunities for capability enhancement, shares and gathers information, conducts statistical and policy research, and advocates SEE interests.
<b>Korea Central Council of Social Enterprises(KCCSE)</b>	The council was founded in 2008 to garner support for social enterprises from policymakers, businesses and civil society organizations and to promote social integration through social enterprises. The membership includes 1,000 or so certified and preliminary social enterprises, experts and related organizations active nationwide. The organization is run entirely on membership fees - without government subsidies. Its activities include academic and policy research, professional consulting, training for workforce development, support for ethical management, public relations and publication, networking and solidarity support, distributional assistance, and projects on discovering and disseminating models of social enterprise, etc.
<b>National Association of Cooperatives(NAC)</b>	This national organization of cooperatives, officially recognized under the FAC, came into being in April 2019. As a policy partner, the NAC's main roles include representing member cooperatives, proposing policy measures to help them overcome diverse legal and institutional obstacles, and gathering and sharing the information and resources helpful to the cooperatives scattered across the government and the country. In addition, the NAC also supports capability enhancement of individual associations, promotes solidarity between the FAC-subject cooperatives and other cooperatives, strengthens cooperation between regional and industry-wide associations, organizes networking with SEEs, and lobbies for reform of applicable laws, ordinances and institutions.
<b>National Association of Village Companies</b>	The association was established in 2012 with the objectives of paving the way for the growth, solidarity and cooperation of village companies and supporting the rebuilding of local communities and local social integration. It also advertises and distributes the products of member companies nationwide.

**Korean Association  
of Self-Sufficiency  
Enterprises(KASHE)**

KASHE was founded in 2018 with a mission of promoting networking, strengthening organizational capabilities, and advocating the interests of self-sufficiency enterprises. It promotes mutual exchange and cooperation and capability enhancement of member enterprises, in addition to pushing for policy and institutional reforms.

**Research Institution  
And University**

Professional training courses in College: Higher education institutions such as Social Economy Leading Universities\* designated to foster leaders for social economy are expanding their degree programs on social economy. The current status of social economy-related degree programs and interdisciplinary programs are as follows:

\* Social Economy Leading University: Korea Social Enterprise Promotion Agency fosters talents needed in the social economy sector; selects universities to lead social economy education as a hub for regional social innovation; and supports the operation of specialized curriculum and regional projects, etc.

<Undergraduate Programs (incl. Interdisciplinary Programs)>: A total of 13 universities

University Name	Department	Course/Major
Catholic University*	Startup College	Social Innovation Convergence Major
Kyungnam National University of Science and Technology	Linked majors (industrial economics, accounting information, English)	Social economy professional manpower training project
Korea Nazarene University	Related majors (Faculty of Social Welfare, Department of Hotel Tourism Management)	Interdisciplinary major on social enterprise
Catholic University of Pusan	Faculty of Business Administration	Project to train management talents for social economy organizations for shared value creation
Sangji University	Lifelong Education Convergence College	Department of Social Economics

<b>Soongsil University</b>	Convergence Major (Public Administration Department, Business Administration Department)	Social Innovation Convergence Major
<b>Jeonju University</b>	-	Social Economy Convergence Major
<b>Chungwoon University</b>	College of Social Services (Lifelong Learning)	Department of Social Enterprise
<b>Chungbuk National University</b>	Linked majors (Public Administration, Sociology, Economics, Political Science and Diplomacy, Child Welfare, Consumer Science, Urban Engineering)	Interdisciplinary Major on Social Enterprise
<b>Hannam University*</b>	College of Social Economy Convergence Convergence Major	Department of Social Economy Enterprise Social Economy Major
<b>Hansei University</b>	Department of Contract	Department of Health Convergence Social Economics / Department of Health and Welfare Social Enterprise
<b>Hanshin University</b>	Linked Major	Social Economy Management Major
<b>Hanyang University</b>	Convergence Major (International Department, Business Administration Department)	Social Innovation Convergence Major

\* Catholic University and Hannam University were selected as leading universities in social economy in 2020.

<Master's Degree Programs>: A total of 13 universities

University name	Graduate School Name	Major	Training period
<b>Daegu Catholic University</b>	Graduate School of Social Economy	Department of Social Economics	2 years (4 semesters)
<b>Mokpo National University</b>	Graduate School of Business Administration	Social Enterprise Studies Major	2 years (4 semesters)
<b>Catholic University of Pusan</b>	General Graduate School	Major in Social Enterprise Studies	2 years (4 semesters)
<b>Pusan National University*</b>	General Graduate School Master Program	Social Enterprise Major	2 years (4 semesters)
	General Graduate School Doctoral Program		2 years (4 semesters)
<b>SungKongHoe University*</b>	General Graduate School	Department of Cooperative Management	2 years (4 semesters)
	Special Graduate School (Graduate School of Social Economy)	Cooperative MBA	2 years (4 semesters)
		Village Community Major	2 years (4 semesters)
<b>Soongsil University</b>	Graduate School of Social Welfare	Social Enterprise Major	2 years (4 semesters)
<b>Wonkwang University</b>	Graduate School of Public Administration	Department of Social Economics	2 years (4 semesters)
<b>Woosuk University</b>	Graduate School of Management Administration and Culture	Department of Social Enterprise	2 years (4 semesters)
<b>Ewha Womans University</b>	General Graduate School	Social Economy Major	2 years (4 semesters)
<b>Hannam University*</b>	Graduate School of Social Welfare	Department of Social Economics	2 years (4 semesters)

<b>Hanshin University</b>	Graduate School of Social Innovation Management	Social enemy Economics	2 years (4 semesters)
<b>Hanyang University</b>	Graduate School of International Studies	Department of Global Social Economics	2 years (4 semesters)
<b>KAIST</b>	KAIST Business School	Social Entrepreneur MBA	2 years (4 semesters)

\* Pusan National University, Sungkonghoe University, and Hannam University were selected as leading universities in social economy in 2020.

Research institutions: major research institutions on social economy include Academy of Social Enterprise, Korean Society for Cooperative Studies, and Korean Association Of Nonprofit Organization Research.

<b>Academy of Social Enterprise</b>	It was established in 2013 to contribute to the development of Korean social enterprises by providing a place for systematic research and discussion on social enterprises and to conduct research on social enterprises, share research results and information, and build a network for social enterprise research.
<b>Korean Society for Cooperative Studies</b>	It was established in 1982 as Korea's first academic society to study cooperatives. It holds research presentations, academic symposiums, lectures, etc. for the purpose of researching cooperatives.
<b>Korean Association of Nonprofit Organization Research</b>	It was established in 2000 to promote understanding on civil society and contribute to the development of Korean society through academic research, policy development, management techniques, and membership development, including nonprofit organizations (NPO), non-governmental organizations (NGO), volunteer activities, and civil society.

## Public Awareness On Social Economy

According to a survey conducted by the Korea Social Enterprise Promotion Agency in the beginning of 2020, public awareness on the social economy is increasing every year (12.5 percent in 2017 → 36 percent in 2020) and a majority (agree (32%)+somewhat agree(55%)=87%) of respondents showed support for the role of social economy in resolving social issues.

\* Survey method: 1,000 men and women aged between 20 and 69 living nationwide have been selected

according to the proportion of population considering age/region as respondents for a recognition survey conducted through structured Internet questionnaires.

\*\* Well aware (4%); aware (32%); only heard of it (47%), unaware (17%)

36% of the respondents said they are aware of the meaning and examples of social economy, while 17% said they are unaware of it. 32 % said they agree that social economy will play a role in solving social problems, while the majority (55 %) said they somewhat agree.

59% had experience of value consumption\* in the form of online shopping malls (58%), flea markets/special sales outlets (39%), and crowdfunding (34%).

\* Value consumption: consumption driven by the value of the product instead of price or quality as an important factor.

## Introduction of the Korea Social Enterprise Promotion Agency (KoSEA)

KoSEA was established in December 2010 with the mission of developing flourishing ecosystems for the social economy in the Republic of Korea under Article 20 of the Social Enterprise Promotion Act. Its roles and responsibilities pertain to a wide scope of activities related to promoting Social Economy Enterprises(SEEs).

**Mission:** Social integration and improvement of people's quality of life by revitalizing the social economy

### Major Tasks

Support for startups

- Activation of start-ups: Social venture competitions, Social entrepreneurship promotion program, and support start-ups of cooperatives
- Support for growth in the early stages of start-ups: Establishing and operating a social enterprise growth support center
- Human Resources Development: Social Entrepreneurship Academy and Co-operative Education
- Certification and accreditation support: Support for social enterprise certification, support for social cooperative accreditation, etc.

Supporting for growth of social economy enterprises

- Support for marketing and public procurement: Strengthen product competitiveness, expand access to distribution channels, and public procurement support.
- Support for management and consulting: Support for management consulting, and strengthening the capabilities of cooperatives
- Resource matching: international cooperation, public-private resource matching



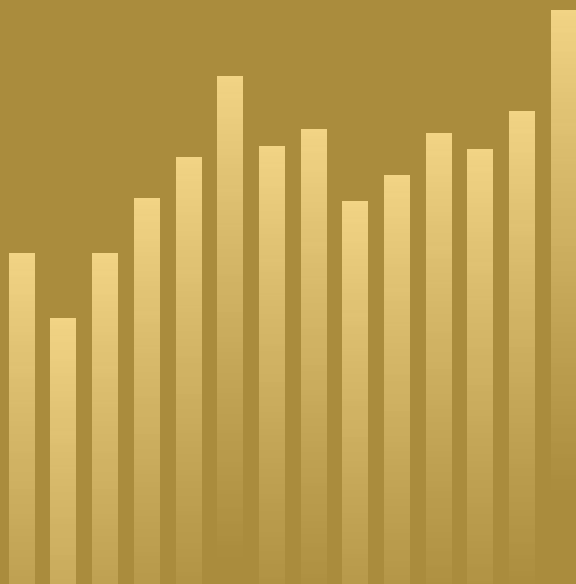
Supporting the building a social economy ecosystem

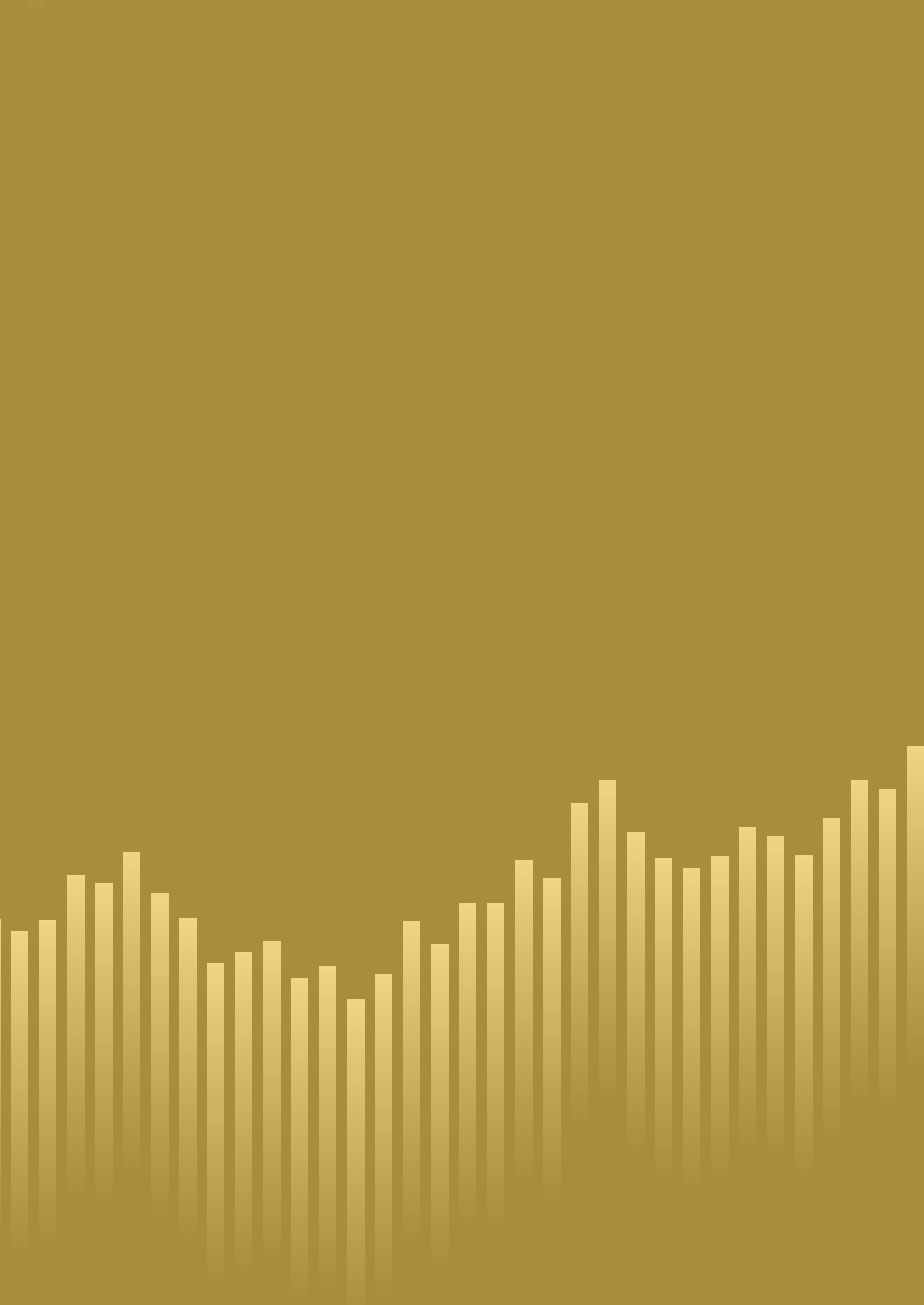
- Establishing a cooperative network: establish a social economy network
- Raising awareness: Promote social economy by holding events and exhibition during Social Economy Week
- Policy support: support policy development for social economy, develop business models suited to the social economy, and support realization of social value

## 2

# Cases: Covid-19 and Social Economy

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## 01

# Social economy for an end to COVID-19

## Reformulating disinfectant solution SPECO to be effective against coronavirus

<b>Company (Organization) Name</b>	Spic and Span (Brand name Speco)	<b>Country</b>	Singapore
<b>Address</b>	317 Outram Road #01-40, Concorde Shopping Centre	<b>Website</b>	speco.sg
<b>Social Mission</b>	Employment and upskilling of marginalized communities		
<b>Product/Service</b>	Speco is a long lasting disinfectant developed by Spic & Span Pte Ltd		

The global pandemic has put a spotlight on the importance of a clean and healthy environment to both live and work. In light of this, Spic & Span has provided free disinfection services with their proprietary antibacterial coating service, Speco, to various Social Service Agencies (SSAs) since the COVID19 outbreak in January.

As a Social Enterprise, they are committed to provide employment and training opportunities to marginalised communities and have also launched a Pay-It-Forward campaign. This campaign aims to support at least 100 local SMEs with S\$250,000 worth of Speco services ensuring that these businesses including mom-and-pop stores, F&B outlets, and fellow social enterprises get access to cleaning services. All they ask of these recipients is their commitment to bless others in need, in their own way, when times are better.

For example, social enterprise Spic & Span, a finalist of the President's Challenge Social Enterprise Award last year, has provided free disinfection services to several social service agencies since the disease outbreak in January. It has also provided free disinfection services to five of the 23 St Luke's Eldercare Centres, including the one in Ayer Rajah.

"Since the outbreak of Covid-19, I find it really heartwarming that there are many in the community that have rallied together to support and help others in the community, particularly those who are more vulnerable... That I think is important because it's not just the Government, the medical facilities doing the work, but individuals also taking responsibility and the communities supporting them," said President Halimah.

Spic & Span hires about 100 people, most of whom are marginalised and vulnerable Singaporeans such as former offenders and persons with disabilities. Last year, it launched a proprietary antibacterial coating service known as Speco that disinfects and protects surfaces for up to six months, with the help of funding from the Government.

[www.straitstimes.com/singapore/singaporeans-must-not-be-complacent-in-fight-against-coronavirus-president-halimah](http://www.straitstimes.com/singapore/singaporeans-must-not-be-complacent-in-fight-against-coronavirus-president-halimah)  
[www.straitstimes.com/singapore/companies-recognised-for-innovations-in-fight-against-covid-19](http://www.straitstimes.com/singapore/companies-recognised-for-innovations-in-fight-against-covid-19)

**In these unprecedented times, it is important that we give back to our frontline staff who are working tirelessly to keep us safe**

**Company** Mindfi

**(Organization) Name**

**Country** Singapore

**Address** Jalan Besar, Singapore 20

**Website** [www.mindfi.co](http://www.mindfi.co)

**Product/Service** Workplace Mental Wellness App/Platform

In these unprecedented times, it is important that we give back to our frontline staff who are working tirelessly to keep us safe. <https://www.consumer.mindfi.co/mindcare>

Therefore, MindFi has extended a free one-year subscription to the MindFi Mental Wellness App to healthcare professionals and a free three-months subscription to HR Managers and PMETs through the Mindcare Campaign. This app enables effective self-care by helping users practice mindfulness during Covid-19.

Their app also proves to be a great tool for corporations who prioritize workforce mental health as part of their business continuity planning and who currently seek ways to engage and care for employees even as they work from home.

FROM Article:

WITH tensions running during this Covid-19 pandemic, MindFi, a South-east Asian leader in digital wellness, extended its mental wellness programme to healthcare professionals.

The decision was made after founder Bjorn Lee spoke to his doctor friends about a Straits Times article on how Covid-19 could affect mental health.

"It was so true and unfunny. The Covid-19 crisis is taking a toll not just on our physical but also our mental health," Mr Lee said.

"We would like to play our part in giving back to the community, specifically to our healthcare workers as well as professionals, managers, executives and technicians (PMETs), who may be struggling during this crisis. Mindcare is a social impact initiative that will give away free memberships of the MindFi mindfulness mobile application. We hope the app can be a useful tool for self-care during their brief moments of rest to restore some calm and comfort," he added.

In typical startup style, the CEO of the smart meditation mobile app did low-key beta testing of the concept and sent it to some friends and business partners over Whatsapp.

The 38-year-old joked: "It was an ugly webpage . . . but many of our partners expressed interest and we have official business interest now from corporates seeking help for their work-from-home workforces." He intended to give himself a raise this year, but plans were scuppered by the Covid-19.

Hence, although business picked up, the founder decided to use that money to hire a few interns to handle the increase in demand for the company's service.

He said: "I had a nagging feeling that mental health would be more prominent during these stressful times. I am glad that business owners share the same sentiment and we had to hire interns to cope with the short-term demand."

When asked why social enterprises should continue to give during this period, Mr Lee said: "I can't speak for others, but for myself, I started this company because I believed in the social goal of raising mental well-being in society. A crisis should not derail that vision. In fact, it should enhance clarity. If the company goes bankrupt, we might as well go down with our heads held high.

### **Stand in solidarity**

"As business owners with a social heart, we cannot simply have a survivor mindset and look inwards. We should look outwards and send a positive and loud message to the society."

Leon Leong, chief marketing officer of Mindfi, said: "I'm proud that we are able to support our healthcare professionals during these tough times; it's the least we can do, as a company, to stand in solidarity with them. This period of crisis has led to higher levels of stress and anxiety, underscoring the importance of mindfulness in bringing about positivity, productivity and an overall better quality of life."

[www.businesstimes.com.sg/life-culture/giving-back-with-compassion-and-a-social-heart-for-the-community](http://www.businesstimes.com.sg/life-culture/giving-back-with-compassion-and-a-social-heart-for-the-community)

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### Producing hand-sewn cotton masks for the marginalized and underprivileged communities

<b>Company (Organization) Name</b>	Komuniti Tukang Jahit (KTJ)
<b>Country</b>	Malaysia
<b>Address</b>	Rodrell Sdn Bhd D10-8-1, Block D, Dana 1 Commercial Centre, Jalan PJU 1a/46, 47301 Petaling Jaya, Selangor
<b>Website</b>	ktjmalaysia.com
<b>Representative</b>	Yap Sue-Yi
<b>Social Mission</b>	Empowering a community consisting of single women, single mothers, the OKU group, and stay-at-home mothers with work opportunities to earn a sustainable income through sewing within the comfort of their home.
<b>Product/Service</b>	Bespoke brand-on product, corporate gifts, and event gifts

Komuniti Tukang Jahit (KTJ) has taken initiative to sew cotton masks for the marginalized and underprivileged communities during the Movement Control Order. The initiative also offered work-from-home opportunities for the target beneficiaries of KTJ during tough times.

Production of hand-sewn cotton masks was one way to help those who risk their lives every day at work during the Covid-19 pandemic besides the medical and healthcare staff.

Apart from the hand-sewn cotton mask production, KTJ also collaborated with Gerakan Wawasan Malaysia in a fund-raising effort to produce face shields for local hospitals.

### Distributing donated PPE items to healthcare facilities and other critical sectors

<b>Company (Organization) Name</b>	Tanoti
<b>Country</b>	Malaysia
<b>Address</b>	Tanoti House, 56 Tabuan Road, 93100 Kuching Sarawak
<b>Website</b>	tanoticrofts.com
<b>Representative</b>	Jacqueline Fong
<b>Social Mission</b>	Preservation of heritage craft, women empowerment, and rural community building
<b>Product/Service</b>	Couture, leather handwoven accessories

Tanoti created the Tanoti Disaster Relief Initiative during the Covid-19 pandemic. The objective of the initiative was to address the shortage of PPE supply in the Kuching area and distribute donated PPE items to healthcare facilities and other critical sectors. Tanoti procures products such as sanitizers, Tyvek coveralls, and 3 ply face masks from various sources and channels them to hospitals in Sarawak.

In addition, Tanoti also donates PPEs they produced to hospitals in Kuching, Sarawak that handle the Covid-19 cases. By bringing together the local community in Kuching, Tanoti delivered close to 30,000 personal protective equipment (PPE) suits to support those at the frontline.

The effort comprises of six social enterprises - Me.reka, Biji-biji, Batik Boutique, Earth Heir, Suri Lifestyle and Tanoti Crafts - as well as other charity organizations. By decentralizing the PPE supply chain, producers and hospitals were able to connect and secure transparency on capacity and requirements, thereby ensuring that materials and resources could be deployed at the right time, to the right location, and in the right quantity.

The agility, nimbleness, and resourcefulness of social enterprises prove that they have a part to play, demonstrating that a joint pursuit of a common cause for the greater good benefits us all.



**Creating a maker network called “Cloud Maker” so that local workshops and engineers can produce equipment for hospitals and quarantine camps**

<b>Company (Organization) Name</b>	Vulcan Augmetics	<b>Country</b>	Vietnam
<b>Address</b>	90/2 Đ. Bạch Đằng, Phường 2, Tân Bình, Thành phố Hồ Chí Minh	<b>Phone</b>	+84 94 888 58 74
<b>Website</b>	www.wearevulcan.com	<b>Representative</b>	Rafael Masters
<b>Number of employees/Sales</b>	15 employees, revenue under \$10,000/year (pre-market)	<b>Social Mission</b>	Making amputation an inconvenience instead of a life-destroying event for people in developing countries across the world
<b>Product/Service</b>	Prosthetics and accessories/peripherals, job referrals and sponsorship		

#### **Before Covid-19**

Vulcan Augmetics, a social impact startup established in 2017 in Ho Chi Minh City, specializes in designing and manufacturing robot arms that are reasonably priced and equipped with the right functions to serve specific needs of people with disabilities. Vulcan Augmetics also engages in community service and amputee support activities.

The fact that only 30% of people with disabilities in Vietnam are employed according to WHO statistics was the motivation behind Vulcan Augmetics’ inception. Their business model is designed to change how society views people with disabilities and how disabled people view themselves in order to bring thousands of disadvantaged people back to the workforce.

Rafael Masters, the Vulcan Augmetics CEO, grew up near the biggest college for people with disabilities in the United Kingdom, so he has always been aware of how much these people are capable of with the right technology. Rafael has spent over 10 years in Vietnam working in education, special needs, and management before enrolling in an MBA program and founding Vulcan. Ms. Trinh Khanh Ha, a GM at Vulcan Augmetics, is a serial entrepreneur who came to Vulcan after closing her own e-commerce company. In July 2018, she met Masters and worked with him to build Vulcan Augmetics to improve employment prospects for people with disabilities.

Since 2018, Vulcan Augmetics fitted 18 users with their products and worked with the UNDP on a pilot project that is a part of landmine clearance program. The company did not generate revenue but took in \$25,000 worth of orders for sponsored prosthetics.

#### **At the Outbreak of Covid-19**

Prior to Covid-19, Vulcan Augmetics were finalizing a new product launch and moving forward with their paperwork and licensing. As they became increasingly concerned about the pandemic situation around late March and early April, the company planned ahead to shift to remote work over the following weeks.

As the situation in Vietnam got worse, they followed through with the plan and worked from home or in shifts for about 3 weeks. Although remote work was challenging, Vulcan Augmetics quickly adapted thanks to its effective communications system so that small groups of employees could continue with product development under the new circumstances. When the country implemented social distancing measures, Vulcan Augmetics promptly responded by adopting a new reporting system for remote management as well as proactively communicating with partners to stay on top of the market situation and preparing risk management plans.

Acknowledging that a delay in the new product launch schedule is inevitable, the Board of Directors remains optimistic that Covid-19 could be a blessing in disguise to help Vulcan Augmetics mature. Vulcan Augmetics did not stop their product development process and managed to maintain online activities unabated. They work very closely with their users, among whom a few are prospective ambassadors or KOLs for the amputee population. They also worked with FV hospital and Decathlon on a respirator (PAPR) project, which provided anti-aerosol (intubation) boxes to local hospitals for testing.

When the pandemic situation aggravated in Vietnam, noticing the huge increase in demand for PPE (Personal Protective Equipment), Masters downloaded a few dozen STL and 3D printing files via the Open Source Medical Supplies project. He then created a maker network called “Cloud Maker” where local workshops and engineers could produce equipment such as face shields and mask holders for hospitals and quarantine camps. While Vulcan Augmetics itself comprises of professional “makers”, the company was well aware that a large pool of talents just like them were out there - bright minds capable of invention with a passion for giving back to the community. Vulcan Augmetics set up an online platform for doctors, engineers, and sponsors that quickly grew to acquire a membership of several hundred. The platform provided design files, an ordering system, and a bridge to hospitals. They coordinated delivery of 2,000 face shields and delivered 60 prototypes. Their Head of Engineering, Robin Durivault, worked with Decathlon and FV hospital to make respirators while collaborating with two hospitals in Ho Chi Minh City in the production and testing of five types of anti-aerosol boxes.

“For us it was PPE, for others it was rice ATMs, sterilizing equipment, home-made hand sanitizer, food for the homeless and unemployed. Everyone can help somehow, it’s not always a highly visible, public thing, but there’s always a way.” - Rafael Masters, CEO.

As a social enterprise, Vulcan Augmetics and other startups have access to more grants or funds than others do, especially in times of crisis. It is important to stay lean, be prepared to pivot or adapt swiftly, and always pursue the corporate social mission.

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## Online trainings to help more people in the medical community

<b>Company</b>	Center for Healthcare	<b>Country</b>	Vietnam
<b>(Organization) Name</b>	Improvement Research - CHIR		
<b>Address</b>	Indochina Building, No. 4 Nguyen Dinh Chieu, Da Kao Ward, District 1, HCMC	<b>Phone</b>	+84 978 52 2626
<b>Website</b>	www.chirvn.org	<b>Representative</b>	Phan Thị Ngọc Linh
<b>Number of employees/Sales</b>	6 employees/ 4 billion VND (2019)	<b>Social Mission</b>	Collaborating to create a better health care system for the patient, for the healthcare worker and for the whole community
<b>Product/Service</b>	Organizing training courses on quality management and patient safety Providing consulting on domestic and international quality standards and policies Organizing workshops and community activities Connecting the medical community and the local community		

**Before Covid-19**

In 2013, a group of dedicated healthcare staff came together to organize activities to bring quality management and patient safety to the attention of the medical community. At that time, only private hospitals that adhere international standards such as FV and Vinmec focused on such aspects. Moreover, Vietnam does not have in place a standardized set of criteria to evaluate quality. Hospitals are largely preoccupied with professional issues with a lack of regard for the error-ridden system and operation. To raise awareness and stimulate a shift in the mindset of leaders and medical staffs of medical organizations, the Patient Safety and Quality Management Club was born in 2013 in the form of a spontaneous Facebook group where people could learn from and interact with medical colleagues across the country.

By 2018, when the forum gained about 20,000 members, the club changed its name to the Center for Healthcare Improvement Research - CHIR. CHIR was one of the few businesses that committed 100% of their profit to community activities in fledgling stages. CHIR gained reputation as an organization dedicated to bringing value programs to the medical community provided by industry insiders, who own a first-hand understanding of the real problems in the medical industry.

**At the Outbreak of Covid-19**

Covid-19, however, overturned a number of their plans. The hands-on training classes originally scheduled from July to August 2020, which serve as their main revenue stream, must be rescheduled due to the government social distancing directive. This is also the case for the 5S training course in Indonesia, which is an important program that was planned to connect CHIR with international organizations throughout the year 2020. While being financially strained, CHIR's chances of winning funding also decreased due to the post-COVID-19 economic crisis.

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CHIR was forced to move all operations online and downsize from eight to six employees. The entire work process and coordination methods was revamped, the communication process was strengthened, and CHIR quickly applied for funding from domestic and foreign funds.

CHIR is still steadfast in carrying out their social mission despite the onset of Covid-19. They have successfully deployed 5S to local hospitals, four classes of Canva tools design training materials for patients and held 34 free workshops and two community contests. The online training classes were a greater success than expected, widening CHIR's reach in the medical community.

CHIR has also realized that, even if they continued to provide offline services, businesses would not have sufficient resources to use them. As it turns out, the current transformation paves a new path for CHIR that allows businesses to save costs and gain flexibility. This is also an opportunity for CHIR to widen its reach in the community as people are more alert to health issues due to the epidemic. Also, the resources developed by CHIR have contributed to promoting and spreading medical hygiene habits among the public.

Instead of standing outside the fight against Covid-19, CHIR has taken action to support the community. CHIR has implemented a weekly livestream chain that provides information for ensuring hospital safety to secure effective prevention and control of the epidemic. In addition, CHIR organized classes for free or with 50% subsidy to guide medical staff in making posters calling on people to join hands in the fight against Covid-19.

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### Providing medical services

<b>Company (Organization) Name</b>	Thanh Danh Research and Development Consultancy Company Limited (Glink)
<b>Country</b>	Vietnam
<b>Address</b>	224/38 Ly Thuong Kiet, Ward 14, District 10, HCMC
<b>Phone</b>	+84 932 108 534
<b>Website</b>	www.glinkvn.com
<b>Representative</b>	Lê Minh Thành
<b>Number of employees/Sales</b>	50 employees/ 15 billion VND (2019)
<b>Social Mission</b>	Providing HIV prevention and treatment measures to the community
<b>Product/Service</b>	HIV examination and treatment, mental health, health examination, communication - health education

#### Before Covid-19

In 2009, Mr. Le Minh Thanh established the Glink self-help group with three friends from the MSM community with a vision to implement social activities related to health protection communication, HIV prevention counseling, psychological counseling, and to improve perception of the public of the MSM community. Following his heart, Mr. Le Minh Thanh decided to stop practicing law to entirely devote his time to Glink, which grew to become today's Thanh Danh Research and Development Consulting Co., Ltd. (Glink Vietnam). With unremitting efforts over a decade, starting as a self-help group in the community, Glink has become a social enterprise with seven clinics spanning from North to South with a team of highly specialized staff. Since its inception, Glink has re-invested at least 51% of their profit in social security activities.

In 2019, Glink showed strong revenue and customer growth, and its target for 2020 were 20% higher year on year. Planning for a 2020 with many opportunities, Glink intended to carry out social projects to increase community engagement in HIV prevention aiming to put an end to the HIV epidemic by 2030 aligned with the National Target Program. Moving towards a one-stop-shop model, which offers a comprehensive and diversified range of HIV prevention and treatment measures, Glink aspired to reach more customers, especially those with low accessibility due to geographical constraints or fear of being stigmatized.

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### **At the Outbreak of Covid-19**

The onset of Covid-19 upended daily life for many, significantly affecting Glink and other enterprises in the medical and healthcare sector. The greatest challenge is the decline of financial income due to changing customer needs. Glink noticed that the pandemic has shifted customers' concerns away from HIV to Covid-19 over its service delivery process. Customers' mostly ask questions about the effects of Covid-19 and related drugs on people with HIV rather than about HIV itself.

For a business in the healthcare sector, growingly skeptical customers coupled with dwindling interest in the company's services pose a monumental challenge. Nevertheless, Glink quickly turned this challenge into an opportunity. Glink's board of directors decided to promote on-line communication and counseling while consolidating resources to build models for home services, mental health counseling, and trainings on epidemic prevention. Glink provided timely support to more than 120 customers ensuring that they receive medicines under the government social distancing directive. Such efforts not only meet the current priority of customers - "preventing Covid-19" - but also enabled Glink to retain financial income.

Amidst the pandemic, Glink still provides medical services in clinics on a small scale to comply with social distancing measures. In the process, however, there is still contact between employees and customers. In mid-April, a staff member said, "when I tested HIV for clients, I was scared, not because I was afraid of HIV infection, but because I did not know if they had contact with any Covid-19 patient and did not know if they had Covid-19." Despite the persisting danger and fear, Glink staff continue to carry out their social mission. Thereby, Glink fulfills its social mission - no one is left behind.

Before Covid-19 broke out, Glink pivoted to develop a home service delivery model, a mobile clinic model and a one-stop-shop model to be launched in 4Q 2020. However, with the sudden outbreak of Covid-19, Glink sped up the process to respond to the rising customer needs as well as epidemic prevention needs and successfully implemented the models much faster than expected. Based on their experience, Glink now considers Covid-19 as a breakthrough period that pushes businesses to seize new opportunities going forward.

Glink will always face challenges, which will not only be overcome but also open doors to myriad opportunities. This is especially true for small and medium enterprises with the ability to transform and adapt, which are the very characteristics that primes an enterprise for a breakthrough.

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### Providing accommodation for medical workers combating COVID-19

<b>Company (Organization) Name</b>	Empathy Social Enterprise for Exchange, Development, and Sustainability (SEEDS)
<b>Country</b>	Korea
<b>Address</b>	32 Jungang-daero 79-gil, Jung-gu, Daegu
<b>Phone</b>	+820507-1441-8989
<b>Website</b>	blog.naver.com/empathy215
<b>Representative</b>	Young-chul Heo / Sung-ah Kim
<b>Number of employees/Sales</b>	15 employees / 770,000 USD
<b>Social Mission</b>	Job creation for vulnerable youths including North Korean defectors and revitalizing local tourism through the development of tourism contents
<b>Product/Service</b>	Accommodation, tourism, Korean traditional hanok experience

Empathy Social Enterprise for Exchange, Development, and Sustainability (Empathy SEEDS) aims to revitalize local tourism. To this end, Empathy SEEDS hires vulnerable youths including North Korean defectors, develops tourism contents, and runs guesthouses and hostels for Koreans and foreigners. It also plans and operates various overseas training programs jointly with public and private institutions through a travel agency it owns. Its articles of association mandates that 20% of its net profit be used to support North Korean defectors and 10% to support the vulnerable.

Empathy SEEDS was hardly hit by the pandemic. In fact, the entire tourism industry was heavily impacted by COVID-19, but the spread of the pandemic was particularly severe in Daegu, where Empathy SEEDS is located. All reservations by Koreans and foreigners were cancelled, not to mention all the events that were in preparation to celebrate 2020, the year of visiting Daegu and the northern Kyeongsang Province.

When the pandemic was spreading fast in Daegu, Empathy SEEDS was unable to operate its business, but there were people flocking to Daegu: the medical workers such as doctors and nurses. Empathy SEEDS, upon noticing that the healthcare workers who came to Daegu voluntarily to fight the pandemic were struggling to find accommodation, offered all its rooms to them for free. The guesthouses were located near the major hospitals in Daegu, and to comply with preventive measures, one room was assigned to one guest. The support lasted for 55 days.

## 02

## Solidarity and cooperation to overcome the crisis of social economy

### Multi-stakeholder platforms towards inclusive recovery and building back fairer

<b>Company</b>	Institute for Social	<b>Country</b>	Philippines
<b>(Organization) Name</b>	Entrepreneurship in Asia		
<b>Address</b>	Rm 407, John Gokongwei School of Management, Ateneo de Manila University, Katipunan Ave, Quezon City		
<b>Website</b>	www.isea-group.net	<b>Representative</b>	Marie Lisa Dacanay

During a conference co-convened by ISEA and UNESCAP on September 16-17, 2020, social enterprise-led platforms were launched to promote cross-sectoral collaboration towards an inclusive recovery and building back fairer. While the platforms have a regional scope across Asia and the Pacific, social enterprises and civil society organizations that promote social entrepreneurship in the Philippines play a key role as leading institutions. Philippine initiatives on the platforms are at various levels of development, where initiatives regarding Women's Empowerment, Livelihoods and Food (WE LIVE FOOD) and the Decent Work for All in Sustainable Value Chains Platforms show the highest level of maturity.

The Platforms on WE LIVE FOOD and Decent Work for All in Sustainable Value Chains have the following objectives:

- To serve as a platform for exchange and building a community of practices that realize inclusive recovery and building back fairer
- To serve as a cooperation platform to draw synergy and to project their collaborative impact on the pursuit of inclusive recovery towards building back fairer and progress on the nine SDGs relevant to pandemic recovery
- To serve as a collaborative platform to develop and advocate changes in government policy and programs towards promoting inclusive recovery and building back fairer
- To serve as a collaborative platform to develop partnerships and to elicit resource and support from the business sector, financial institutions, social investors, national governments and multilateral agencies in order to sustain and broaden the reach of the platform as a tool for implementation of measures to achieve the nine SDGs relevant to pandemic recovery

The 9 SDGs relevant to pandemic recovery include: no poverty; zero hunger; health and well-being; decent work and inclusive economic growth; reduced inequality with a particular focus on reducing the rich-poor gap and gender equality; responsible consumption and production; climate action; peace justice and strong institutions; and partnership for the goals.



## PRESENT Initiatives during and Beyond COVID

**Company** Poverty Reduction through Social Entrepreneurship Coalition  
**(Organization) Name**

**Country** Philippines

**Address** Rm 407, John Gokongwei School of Management, Ateneo de Manila University,  
 Katipunan Ave, Quezon City

**Representative** Marie Lisa Dacanay, Convener / Gomer Padong, Coordinator

During the pandemic, the Poverty Reduction through Social Entrepreneurship (PRESENT) Coalition recognized the need to advocate for the PRESENT Bill and a PRESENT Program to assist social enterprises met with challenges brought upon by Covid-19. The Coalition embarked on the following activities during the pandemic:

- Update of the stakeholders' version of the PRESENT Bill to include a provision on a social enterprise recovery and rehabilitation fund for financing programs and projects that support adaptation and resilience of social enterprises, including stimulus grants.
- Issuance of the Coalition Statement on COVID-19 calling on the Congress and Senate to fast-track the enactment of the PRESENT Bill as well as the introduction of social enterprise stimulus packages and programs.
- A social enterprise action research (SEAR) titled, "Inclusive and Innovative Pathways to COVID Recovery: Social Entrepreneurship as Strategy in Leaving No One Behind and Building Back Better in the Philippines."

Social enterprises face the challenge of re-envisioning how to serve marginalized groups while the sector itself recovers. Hence, the COVID-19 Social Enterprise Action Research (SEAR) was undertaken to enable informed development of a responsive relief and recovery effort for the social enterprise sector in the Philippines along with an agenda for the sector to make a significant contribution towards building back better. SEAR aimed at:

- determining the effects of the Covid-19 health pandemic on social enterprises and the marginalized stakeholders they serve;
- learning social enterprises and their stakeholders' response to Covid-19, and gathering suggestions to derive a responsive social enterprise relief, recovery, and rebuilding effort; and
- developing strategies and recommendations on how social enterprises and their resource institutions could work together to effectively cope with and recover from the impact of Covid-19, including possible programs, initiatives, and policies that resource institutions, government and the private sector could adopt to assist the sector, which is a significant player in building back better and achieving sustainable development.

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SEAR was an action research effort that sought to provide a means for SE stakeholders in the country to identify systematic measures to rebuild SEs. A review of secondary data, a non-randomized national survey, key informant interviews, focus group discussions, and participant observations were the data collection methods employed. The survey results revealed that SEs have experienced varying levels of downturn due to the pandemic, with 96% of the survey participants reporting major to some downturn and 93% reporting a decline in sales or revenues when the Enhanced Community Quarantine was imposed. Key informant interviews and focus group discussions revealed that the downturn and decline in revenues have been primarily caused by the shrinking market for those in the service and manufacturing sectors (tourism, travel, hotels, restaurant, massage services, manufacturing of non-essentials), severe disruptions in the supply chain for agricultural products, and income loss of borrowers leading to lower rates of debt collection among SEs engaged in microfinance or savings, and credit.

SEAR also showed that the social enterprises that sustained their operations have adopted measures to immediately respond to the drastic change of circumstances, are rebuilding or pursuing product and process innovations towards recovery including the creative use of digital platforms and social media, and are reconfiguring their social enterprise models or pursuing their pre-pandemic social enterprise models that are more relevant to the pandemic situation.

SEAR proposes 5 main strategies for the social enterprise sector. One of the strategies is an active pursuit of advocacy for the enactment and implementation of the Poverty Reduction through Social Entrepreneurship Bill and Program. There is also a proposal for a joint social innovation effort among government, the private sector, and multilateral agencies to develop new social enterprises as well as support the recovery and rehabilitation of existing ones so that they serve as transformational partners of the poor on the road to building back fairer.

The research may be accessed through the following link:



[www.isea-group.net/resources/publications/social-enterprise-action-research-inclusive-and-innovative-pathways-to-covid19-recovery-social-entrepreneurship-as-strategy-in-leaving-no-one-behind-and-building-back-better-in-the-philippines/](http://www.isea-group.net/resources/publications/social-enterprise-action-research-inclusive-and-innovative-pathways-to-covid19-recovery-social-entrepreneurship-as-strategy-in-leaving-no-one-behind-and-building-back-better-in-the-philippines/)

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### ATFI: Sustaining People's Development under the New Normal

**Company** Alter Trade Foundation, Inc and the Negros Organic  
**(Organization) Name**

**Country** Philippines

**Address** Bacolod City and contiguous areas (Negros Island, Visayas)

**Representative** Edwin Marthine Lopez, Angelito Estama

Since its establishment in 1997, Alter Trade Foundation, Inc (ATFI) worked for the benefit of the rural poor, mainly sugarcane farmworkers, in the Negros Island in the Philippines. From the early 1990s, the Negros farmworkers became beneficiaries of the agrarian reform and came to own the lands they tilled since the time of their ancestors.

ATFI sought to empower the agrarian reform beneficiaries through affordable credit, sustainable farming systems, and holistic management training to help them become self-sufficient and form self-governing communities. Today, the empowered agrarian reform communities have transformed into real farmers who manage their farms collectively who operate like social enterprises upholding fair trade values.

The farmer communities have diversified the monocrop sugar plantations and adapted their farms to climate change. Women are regarded as equals of men both in the community and in their own homes. They have collectively acquired farm machineries, sent their children to college, built their own modern homes, and built capacity to negotiate with banks, sugar centrals, and local governments.

ATFI continues to assist 13 agrarian reform communities with a membership of more than 600 households. These agrarian reform communities (small producers associations and cooperatives) have federated to form the Negros Organic and Fair Trade Association or NOFTA. NOFTA is ATFI's partner in the organic muscovado sugar value chain and beyond.

#### Disruption in Production and Processing

The harvest season for sugar cane had just ended when the Enhanced Community Quarantine was declared in Negros Occidental. ATFI and its partner farmers' federation, the Negros Occidental Fair Trade Association (NOFTA), were not able to deliver the harvested sugar canes to their partner-processor, Sagay [Sugar] Central, in charge of producing muscovado. They were forced to deliver to nearby sugar centrals that did not produce muscovado. The farmers were then paid in checks, which had to be cashed in Bacolod. The farmers, however, had no access to Bacolod at the time. What is more, the ATFI and NOFTA could not deliver their products from the farm to Bacolod for packaging as packing operations all came to a halt. They had to cancel orders since there was no guarantee as to when they would be able to resume packaging and release of products.

Sugarcane production must resume within 15 to 30 days after harvesting. ATFI and NOFTA recounted how production slowed down because farm workers from adjacent barangays were not allowed to leave their villages to plant sugarcane. Moreover, around 20% of the crops planted by these farmers as part of their sustainable agriculture efforts were damaged. Since access to farms was blocked for the agriculturists from ATFI, the member associations of NOFTA were also deprived of technical support and intervention required to keep their crops healthy.

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The pandemic taught them important lessons, according to Imelda Cervantes, an agricultural worker who has become an entrepreneurial farmer-leader of Minoro-Isabel Agrarian Reform Beneficiaries' Association (MIARBA) and its mother organization, NOFTA. They came to see the value of diversified farming with many available options such as rice, sweet potato, fruits, and common vegetables. Meat from native chicken and pig was also available. They were not starving like the other haciendas that depended on relief.

The pandemic highlighted the value of community organization as well. NOFTA was able to distribute shares among holders of Certificate of Land Ownership Award (CLOA) amounting to P30,000 each, labor incentive to members who are non-CLOA holders, and meat (pork) to all members. The spirit of helping one another and sharing solidified among the members. They managed to maintain "equal work equal pay" regardless of gender. Also, close monitoring of all entries to the communities worked as an effective measure for pandemic prevention.

### **Going Beyond Their Own Communities**

Support for others did not end with the immediate communities or organizational members. The organization was also helped nearby communities by providing their postharvest truck to the Department of Agriculture for distribution of food packs to various communities including remote areas.

Unlike other enterprises, operations of NOFTA did not stop during the lockdown. Members continued weeding and fertilizing their farmland. Thus, they maintained an income stream by selling their produce.

### **The Pandemic and Food Security**

According to Imelda, "food production must be given importance. Even if there is palay (rice), sweet potato and vegetables, if the pandemic gets longer, these will not be enough. There is a need to widen vegetable planting. Hog and swine raising must continue. Food production must not be limited to family consumption. Surplus must be sold to the market to help other consumers who need food".

Meanwhile, the experience of NOFTA illustrates that addressing gender concerns in social enterprises involves a triple approach: 1) capacity-building for women in value adding activities for enterprises such as food processing and packaging, 2) community health program to address primary health needs and common health issues in coordination with health programs of the barangay and the municipality, and 3) production loan for marginalized families.

Imelda likewise emphasized that addressing gender concerns must also involve gender assessment and gender policy making on the community level.

### **The Way Forward**

The Covid-19 pandemic has put everyone's present way of life to the test. It has taught ATFI and its community partners to be "prepared for the worst" and resilient in the face of any pandemic and even natural disasters. In relation to the marginalized communities that ATFI vows to empower, the Covid-19 pandemic showed inadequacies of their effort with regards to food sufficiency, health safety, and ecological sustainability. The epidemic also proved local governments in the involved areas to be inattentive and revealed that local public systems and local economic development have been neglected. Upon such realization, ATFI is tasked with redesigning its community development interventions by emphasizing and integrating essential aspects that will enhance the resilience of the rural poor, our primary stakeholders.

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ATFI must prioritize food security for every local household, and at the municipal and provincial level also.

ATFI and NOFTA should accelerate the transition from monocrop farming to diversification across food, fiber, and live-stock production that are suited to the local climatic conditions. Every household and farm need to produce vegetable and livestock. At the farm level, production of grains, legumes and root crops should be integrated with commercial crop growing in order to sustain food availability and regular income.

Advocacy alongside the local governments and the private sector at the municipal and provincial level must promote the development of modernized agro-industries that focus on food-processing to complement farm-based food production. Municipal and provincial-level efforts to strengthen and sustain the local economy are required to secure economic autonomy and self-reliance, and thereby generate local wealth and democratize its distribution among marginal production communities.

ATFI needs to strengthen farmers' cooperatives or collective farms so that they serve as complementing or parallel institutions to the local governments in addressing social and economic needs of the community. Aside from assuring household food sufficiency and economy of scale in food production, the farmers' cooperatives and collective farms need to build community readiness for adapting to health crises such as Covid-19. Community awareness on health crises and potential natural disasters is an imperative. Communities should take a pre-emptive stance against crises and natural disasters through collaborative planning of adaptation measures.

Advocacy for improved local public health systems at the lower-class municipalities, in particular, must be carried out. The pandemic experience highlighted the importance of effective communication of information on health crises and safety protocols across local communities. Provision of protective materials, contraptions, and gadgets required to follow the safety protocol must be distributed or made available to households and communities. Both information and protective materials can effectively elicit voluntary compliance. There is a lack of fully equipped and sufficiently staffed municipal hospitals capable of attending to emergency and severe cases as well as pandemic cases that must play a key role in containing the virus. Eventually, an antidote or vaccine for the virus should be made available to the marginalized communities.

Outbreak of health crises could be prevented through a sustainable ecological system that restores biodiversity and integrity of our home, planet Earth. Production systems and our way of life must adapt to prevent degradation and destruction of our natural environment. Sustainable and natural farming should be given more emphasis by farmers' organizations and government agencies. Conversion to renewable energy should be accelerated and widely practiced. Pollutants such as plastics and materials made of fossil fuels should be systematically phased out and replaced with sustainable materials and resources.

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## Overcoming COVID19 Challenges through Stakeholder Engagement

**Company** Gandang Kalikasan, Inc / Human Nature  
**(Organization) Name**

**Country** Philippines

**Address** 463 Commonwealth Avenue, Quezon City

**Phone** +63 2 8931 5787

**Website** [humanheartnature.com](http://humanheartnature.com)

**Representative** Anna Meloto-Wilk / Dylan Wilk

Gandang Kalikasan, Inc. (GKI), a multi-awarded social enterprise manufacturing and selling the Human Nature brand of personal and home care products, demonstrated foresight and compassion as they innovated to engage their workers, partner suppliers, franchisees, and other stakeholders during the COVID-19 pandemic.

GKI was able to operate throughout the pandemic because essential goods, such as soap and sanitizers, formed part of their product offerings. It still, however, faced significantly reduced sales. To increase its sales, GKI made its products more accessible to households by enhancing its online presence and increasing home deliveries.

Despite its decreased revenue, however, GKI showed compassion in making a commitment to fulfil its “no-firing” policy and assured its more than 600 employees their jobs. In the meantime, everyone agreed to postpone payment of salaries as “walang iwanan” became their compact. In place of salaries, every employee, regardless of rank and work situation, agreed to receive a stipend of P5,000 every 15 days until such time that sales normalized. Some management staff even gave up their stipends and offered to draw from their savings. GKI also introduced flexible working arrangements and incentives to ensure the safety of their employees. To address franchisees and staff fear of opening their shops, it embarked on an education campaign to build confidence and capacity in re-opening with adequate safety measures. After 2 months, and as travel and work restrictions eased, GKI had improved its sales enough to resume paying its employees regularly. This meant returning to its best practice of providing living wages to lowest paid workers, equivalent to about double the mandated daily minimum wage.

GKI also showed foresight in ensuring that the small producers among its suppliers continued to receive payments for the products they delivered. For example, GKI continued buying and paying for citronella oil from its partner supplier communities using the fair price it had set with them. It even stocked up for future production in anticipation of the rainy season when their bug spray would be a best seller. On top of these efforts, GKI showed compassion when, moved by potential hunger in the communities where many of their workers lived, GKI engaged its stakeholders to mobilize resources to sustain the distribution of weekly food packs to 10,000 urban poor families in Payatas over a period of 2 months.

## Social Franchising and Coop to Coop Trading During and Beyond Covid19

<b>Company (Organization) Name</b>	Federation of Peoples Sustainable Development Cooperatives (FPSDC)
<b>Country</b>	Philippines
<b>Address</b>	Unit 7A Future Point Plaza III, Brgy. South Triangle, Panay Avenue, Quezon City 1103
<b>Phone</b>	+63 990 7765
<b>Website</b>	www.fpsdc.coop
<b>Representative</b>	Christie Rowena Plantilla

The Federation of Peoples' Sustainable Development Cooperative (FPSDC) is a federation of organizations that provide financial and non-financial services to empower marginalized sectors, ensuring the development of stakeholders (people) and the preservation of the environment (planet), while ensuring economic viability and equitable growth (prosperity), in the hope of promoting harmonious coexistence within and among communities (peace).

Throughout the years, FPSDC has forged partnership that transcend mere borrow-creditor relationships by not only providing access to financing, but also supporting member-organizations to become more efficient and effective in their operations through technical training, coaching, and facilitating strategic partnerships with other organizations and initiatives. FPSDC also encourages member organizations to support advocacies on sustainable agriculture and to engage in activities that take into consideration the 4Ps of sustainable development, namely, People, Planet, Prosperity, and Peace.

During the pandemic, the FPSDC, which supplies over 1,000 grocery stores with organic rice and other community-produced food items, was able to meet more than 100% of its target sales for its distribution and marketing unit. Only in March, when the enhanced community quarantine in Luzon was declared, did the co-op not meet its target.

In response, FPSDC strengthened their on-line marketing platforms, which also carry food and non-food products from member and non-member cooperatives. It also intensified the establishment of F&C food kiosks in the stores/offices of its primary cooperatives. These kiosks were basically a display shelf of all the products of the cooperative. The intent was to make FPSDC's products accessible to members all over the country, while educating the local consumers in each area that the brand is supplied by various cooperatives and produced through sustainable means.

FPSDC intends to pursue its pre-COVID-19 programs to strengthen the sustainability and innovations of primary cooperatives. The proto-type for FPSDC's social franchising endeavor, Handholding in Viable Enterprises (HIVE), is already on-going. It is intended for farmers who are not naturally entrepreneurial, hence in need of hand-holding until they achieve empowerment.

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The package includes processing site construction improvement support, transfer of production techniques and technology, business development support (training, standardized operation, equipment and other logistical support, and accreditation), marketing of produce, and financing and insurance. The initial products for the prototype include coconut sugar and black garlic. FPSDC is still developing the model to ensure that the learning by other interested cooperatives will not be so difficult. Related to this endeavor is the Youth Leading in Enterprise and Agriculture Development (YLEAD) Program. It seeks to encourage the youth to engage in viable and sustainable agri-enterprise, address the problem of aging farmers, and develop and innovate viable and sustainable products. The program is a three-month certificate course in partnership with an endorsing co-op, Xavier University, and other organizations. There have been initial talks with TESDA regarding certification of graduates. The idea is to teach the essentials of social entrepreneurship to students who, at the end of the course, will come up with their own product and offer their business pitch. The best pitch will be provided with the capital to start the business. This program has been temporarily sidelined while awaiting Xavier University's preparations for its "new normal" arrangements and blended learning in its courses.

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## Social Microfinance as Response to COVID19

**Company  
(Organization) Name** Social Enterprise Development Partnerships, Inc

**Country** Philippines

**Address** Unit 303 Loyola Heights Condominium 23 F.  
Dela Rosa Street, Loyola Heights, Quezon City

**Phone** +63 632 433 8795

**Website** [learningwealth.org](http://learningwealth.org)

**Representative** Vincent Mariel Rapisura

The Social Enterprise Development Partnerships, Inc. (SEDPI) works in the areas of microfinance, social entrepreneurship, and financial education. On February 14, 2020, SEDPI decided to shift from conventional microfinance to social microfinance, where the primary strategy is to veer away from using loans, debt, or credit as a development tool. The aim is to eradicate the debt burden in low income households and transform them into real partners in business and development.

The shift proved to be a timely response to the pandemic because it bound SEDPI and its members more strongly. The core of SEDPI's social microfinance model is profit and risk sharing. Capital became infused to members' livelihoods, rather than loans, which essentially eradicated compounding and accrual of interest during the crisis and made SEDPI and the households feel more like partners.

SEDPI's integration of government economic welfare programs, such as Pag-IBIG and SSS, into its social microfinance program enabled its members to access social safety nets previously unavailable to them. This complemented their market-based financial products, such as savings and microinsurance, and proved to be essential in addressing economic insecurity.

Seemingly counter-intuitive strategies, such as consciously making its microinsurance product not-for-profit and assuring that SEDPI would absorb 100% of losses from failed livelihoods due to external factors, made members prioritize their obligations with SEDPI. As a result, its portfolio at risk ratio is 8.5% at a time when the industry suffers as much 70% portfolio at risk.

SEDPI also experienced unprecedented growth, increasing its membership from 6,300 members to almost 10,000 since the pandemic began. Although in its early stages, the model proves to be promising and worthy of replication in the microfinance industry and disaster resilience.

### Collaboration for efficient help during COVID-19

<b>Company (Organization) Name</b>	Socialgiver
<b>Country</b>	Thailand
<b>Address</b>	SocialMotion Co., Ltd. KX (Knowledge Exchange), 12th Floor, 110/1 Krung Thonburi Road, Banglamphulung, Khlongsan, Bangkok 10600
<b>Phone</b>	+66 6 2458 2626
<b>Website</b>	www.socialgiver.com
<b>Representative</b>	Arch Wongchindawest
<b>Number of employees/Sales</b>	12employees / 225,000 USD
<b>Social Mission</b>	Inspiring a generation of socially conscious consumers
<b>Product/Service</b>	Website and apps offering deals from hotels, restaurants, and activities

Socialgiver is a digital platform that sells deals from over 300 leading travel and lifestyle brands. Socialgiver makes your shopping experience extraordinary by donating 100% of their profits to fund social justice projects across Thailand. The platform offers innovation in bridging corporations that would like to give sustainably and consumers who are looking for more socially conscious options. Socialgiver has worked with these brands to support more than 40 projects that have gone on to impact over 150,000 lives.

During COVID-19, Socialgiver initiated and/or supported many projects in response to the pandemic itself. One fundraising campaign run by Socialgiver helped to supply over 300 rural hospitals with PPE equipment for healthcare personnel. Another very prominent project involved a collaboration with a group of NPOs, spearheaded by the Sati Foundation, to offer relief to the most vulnerable communities in Bangkok. They were able to pull together support in cash, in kind, and in labour to distribute relief packs (including food and essential protection kits with face masks and hand sanitizer) to over 31,000 vulnerable families over the course of four months. The beneficiaries were mostly daily-wage earners from the urban poor, including migrant workers from Myanmar, Laos, and Cambodia, who had suddenly become unemployed due to the lockdown. Covid Relief Bangkok now continues their work into a 'Phase 2' to provide psychological support for those affected by the pandemic.

Socialgiver's goals in 2020 are to use 100 influencers to promote domestic tourism and to bring together 500 hotels to support the people most impacted by the pandemic.

### From Community-based Tourism to Community-based Business

<b>Company (Organization) Name</b>	Local Alike Company Limited
<b>Country</b>	Thailand
<b>Address</b>	12 Soi Inthamara 3 Samesennai Sub-District, Phayathai District Bangkok, 10400
<b>Phone</b>	+66 81 139 5593
<b>Website</b>	localalike.com
<b>Representative</b>	Somsak Boonkam
<b>Number of employees/Sales</b>	40employees / 3.5 million USD
<b>Social Mission</b>	Uplifting the community's well-being through sustainable tourism
<b>Product/Service</b>	Community-based tourism packages, corporate trips

Local Alike is a travel company that offers a wide range of community-based tourism and responsible tourism experiences. Their excursions are fun and immersive. Travelers not only get to take part in off-the-beaten-path experiences, but also contribute to the preservation of the environment, culture, and local ways of life.

Since the breakout of COVID-19, both the company and over 150 partner communities throughout Thailand have been tremendously affected. Tourism previously accounted for 22% of the national income; the industry has now become the most damaged sector in the economy. Local Alike's revenue dropped suddenly from an average of 300,000 USD per month to none during the first month of the country's lockdown. The company was quick in responding to this crisis. After a three-hour brainstorming session, the team identified their relationships with their partner communities as their strongest current asset. They transformed that asset into two new business units within a couple of weeks: "Local Aroi," a food service, and "Local Alot," a retail service.

Local Aroi sources local ingredients from the communities that used to work on community-based tourism with the company, and turns them into ready-to-serve food for urban dwellers. Their services range from food delivery to fine-dining events to food catering. Local Alot sources local produce, such as fruits, and products, such as handcraft face masks; adds value to these products with attractive packaging; and offers them to the market. With these two new businesses, Local Alike has been able to bring their revenue back to an average of 100,000 USD per month, which not only helps sustain their operation, but also provides their partner communities with continuing revenue amid the halt in tourism.

### Raising suspended meals with the subsidized cost for the needy

<b>Company (Organization) Name</b>	Masala Wheels
<b>Country</b>	Malaysia
<b>Address</b>	2, Jalan 1/3, Seksyen 1, 46000 Petaling Jaya, Selangor
<b>Website</b>	<a href="http://www.masalawheels.com">www.masalawheels.com</a>
<b>Representative</b>	Kuhan Pathy
<b>Social Mission</b>	Empowering marginalized communities through know-how on food & beverages
<b>Product/Service</b>	Food truck and catering service

Masala Wheels was founded by young professionals aiming to empower the community through its social franchising concept.

During the Movement Control Order(MCO), Masala Wheels has initiated a social initiative named #foodwithoutborders to create suspended meals with a subsidized cost for the needy through public contribution fund. The public can contribute to [payforward.masalawheels.com](http://payforward.masalawheels.com).

During the pandemic, Masala Wheels prepared and delivered 16,000 food packages to medical front liners and their homes. They employed more than 30 at-risk youth, and collaborated with taxi drivers around the city to fulfil its mission. The #foodwithoutborders program is now scaling out to Penang with its win-win working model: providing wage to those involved and enabling the marginalized to sustain a living. The social initiative also benefits those front-liners who are working in critical hospitals to manage the Covid-19 cases.

### Placing fellow Singaporeans affected by the crisis into new jobs

<b>Company (Organization) Name</b>	Findjobs
<b>Country</b>	Singapore
<b>Address</b>	#01-04 Ayer Rajah Crescent
<b>Website</b>	findjobs.com.sg
<b>Social Mission</b>	Bringing online jobs to offline job seekers; bringing more job opportunities to the non-executive workers in Singapore through an online channel customized for them
<b>Product/Service</b>	Non-executive (blue-collar) jobs marketplace application platform

As job security becomes a priority in Singapore due to the COVID-19 crisis, Social Enterprise Findjobs Pte Ltd has stepped up its efforts to help secure employment opportunities for fellow Singaporeans affected by the crisis and those who are chronically unemployed. Their non-executive job marketplace app and smart job kiosks connect over 1,000 employers to jobseekers in a more effective, cost efficient and inclusive manner. In the past 2 months, the team has quickly pivoted to launch a new virtual career fair feature on their app. With funding from raISE and e2i, Employment & Employability Institute, they also launched “Project Success,” aimed at placing 100 affected Singaporeans into 100 new jobs at zero cost to employers. They pledge to continue offering employers this placement service at subsidized rates in exchange for their commitment to adopt fair and inclusive hiring and employment practices.

[www.businesstimes.com.sg/life-culture/giving-back-with-compassion-and-a-social-heart-for-the-community](http://www.businesstimes.com.sg/life-culture/giving-back-with-compassion-and-a-social-heart-for-the-community)

## Providing an avenue for corporations to make social enterprises a part of their sustainability journey

<b>Company (Organization) Name</b>	DAGIZ
<b>Country</b>	Singapore
<b>Address</b>	32 Jervois Rd, #01-03
<b>Website</b>	<a href="http://www.dagiz.com">www.dagiz.com</a>
<b>Social Mission</b>	Dagiz Pte Ltd is a Singapore based women-owned social enterprise that empowers women and embraces family values. Dagiz expands its social impact by supporting 48 Singaporean Social Service Agencies (SSA) and by partnering with other social organizations.
<b>Product/Service</b>	Dagiz creates gifts and experiences, helping its clients convey their marketing message and values

DAGIZ is a Singapore-based bespoke gift and experience provider, which is building a business-to-business (B2B) marketplace that connects corporations to products made by local beneficiaries.

That plan to enable more social enterprises (SEs) and social service agencies (SSAs) to go online to gain visibility had to be tweaked when Covid-19 pandemic broke out.

In view of the COVID-19 situation, bespoke gift and experience provider, Dagiz Pte. Ltd. has pivoted its business to build a B2B marketplace that connects corporations to products made by local beneficiaries. Dagiz realised that corporations are faced with the challenge of keeping their staff engaged during this period and Social Enterprises (SEs) and Social Service Agencies (SSAs) have some quality products to be sold! Hence, they have created a microsite that not only curates a collection of products by SEs and SSAs but also matches these to a corporation's social goals so that MNCs and their staff can support a good cause that is aligned with their CSR objectives. Make Social Enterprises a part of your sustainability journey by partnering Dagiz who is an enabler of other SEs and SSA. Find out more here: [www.dagiz.com](http://www.dagiz.com)

[www.businesstimes.com.sg/life-culture/giving-back-with-compassion-and-a-social-heart-for-the-communit](http://www.businesstimes.com.sg/life-culture/giving-back-with-compassion-and-a-social-heart-for-the-communit)

### The power of solidarity found amidst COVID-19

**Company**  
**(Organization) Name**

Woorungi Table Cooperative

**Country**

Korea

**Address**

7-9 Seonwon-ro 37nam-gil, Dalseo-gu, Daegu

**Phone**

+82 53 582 8896

**Website**

Ha-su Yang

**Social Mission**

Selling healthy side dishes

**Product/Service**

Side dishes, agricultural and fisheries products

In 2004, mothers in Dalseo-gu, Daegu organized a “parents’ bible study group,” and in 2005, established “Waryong Learning Center,” a local education community, to join hands in raising children from the vulnerable and single-parent families. After school, around 20 children came to Waryong. A decade has passed, and as after-school activities became common, Waryong’s mission of providing care and education to the vulnerable children had to change. After conducting much research into cooperatives and holding numerous meetings, second-hand markets and local markets, about 10 members of the coop opened a local enterprise called “Woorungi Table.”

Woorungi Table aims to supply safe and healthy food at reasonable prices. All side dishes are made and sold on the same day and only organic ingredients of the season and natural seasoning are used to cook. Organic agricultural and fisheries products as well as organic processed food are also sold. The ingredients are procured from nearby local food markets or directly from farms. They try to buy from small-sized farms that struggle to secure sales channels, village communities, and social economy enterprises. The side dishes can be purchased at offline stores or on SNS. Anyone can sign up on their SNS, and as of July 2020, they have about 2,000 SNS members.

In February, 2020, Daegu became one of the hardest hit areas by COVID-19, and on March 13, the number of cases surpassed 6,000. The city was engulfed by fear. Free meal places closed its doors, and the homeless had nowhere to go for food. Woorungi Table formed a solidarity with social economy enterprises in Daegu and began supplying food and relief packages. The experience helped Woorungi Table take a new look at the neighborhood. There were about 150 vulnerable people in the neighborhood. Woorungi Table, in collaboration with social economy enterprises in town, delivered packages comprised of daily necessities, side dishes, and hand sanitizers to the vulnerable neighbors.

Of course Woorungi Table was not free from the pandemic, either. When the entire city was shut down, they didn’t receive a single order for group meals and lunchboxes for over a month. But because buying groceries was difficult, long-time customers continued to depend on Woorungi Table. They ordered side dishes through SNS and picked it up from the store in their cars. To reduce the need for customers to travel, Woorungi Table started to support part of the delivery fee. As a result, although the number of customers who visit the store, the revenue soared.

Woorungi Table was able to survive the worst moment of COVID-19 thanks to the trust built over the years with long-time customers and the producer communities.

## 03

## Opportunities amidst the crisis

### Sustaining Community-based Coffee Enterprise Innovations

**Company** Bote Central and the Philippine Coffee Alliance  
**(Organization) Name**

**Country** Philippines

**Address** 21 Graceful corner Menchie Sts., BF Almanza, Las Pinas City

**Phone** +63 2 836 0216

**Website** botecentral.com

**Representative** Alvira Reyes

Bote Central, Inc., is a family-owned corporation with a vision of working to clean and save the environment by using agro-forest products to create livelihoods. At present, the company is focused on the joint production and consumption program of Philippine coffee. They are working to rationalize the supply chain and embed Fair Trade principles to promote the Philippine coffee industry's sustainability. They focus on deploying community roasting business units (CRBUs) all over the country, most especially in the countryside, thereby propelling local economies to have different business models for retailing Philippine brewed coffee.

In 2012, Bote Central spearheaded Kape't Buhay (Coffee for Life), a multi-partite, community-based, coffee agribusiness production and consumption program for Philippine coffee anchored on sustainable development entrepreneurship in favor of the marginalized poor. The synergistic program seeks the transformation of coffee farmers into farmer-entrepreneurs, by encouraging them to go into the agribusiness of coffee. The farmer-entrepreneurs serve their own coffee to local communities and thereby transform the urban /rural poor market into one of dealers and retailers of Philippines-produced coffee.

Kape't Buhay advances agricultural entrepreneurship among coffee farmers, women, and youth by establishing and strengthening community-based coffee enterprises (CBCEs) as key actors in the Philippines coffee value chain. Through the recent support of Forest Foundation Philippines, the program has already transformed farmers into agri-entrepreneurs that supply their produce to CBCEs. The Kape't Buhay framework includes innovative and novel components, such as:



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(1) Filipino-patented coffee roasting technology; (2) onsite, hands-on “coffee doctors” who mentor and coach clustered farmers on sustainable agro-ecological methods; (3) a procurement fund for CBCEs; and (4) regional expansion and modernization set-up of private bulk roasting facilities to consolidate and market farmers’ coffee produce.

### **Challenges during the pandemic**

During the pandemic, Bote Central experienced logistical challenges that prevented its partner coffee farmers and communities in Mindanao from shipping their produce to Metro Manila. The differing quarantine policies in local government units made the transfers impossible.

As a result, from March to June 2020, Bote Central was only 20% operational. After June 15, they adopted a three-day workweek. It is estimated that Bote Central’s losses during in the first half of the year were at 80%, from which the company believed it would be difficult to recover. Still, Bote Central strengthened its on-line marketing platform. It likewise ensured that its employees received assistance from their local government units.

As a product innovation during the pandemic, Bote Central has launched a new coffee product that is totally different from the specialty, high-end coffee for which the company is known. It saw the pandemic as an opportunity for the poor and marginalized to try its “masang-masang” instant/powdered brewed robusta coffee. This coffee is three times more affordable than the leading brand of instant coffee on the market. Using advanced technology, Bote Central has been able to produce the instant brewed coffee with no additives, flavorings, or aromatics, making it much healthier. Because the buying capacity of the masses has diminished even more with the pandemic, Bote Central is hoping that they will be more open to trying a generic and cheaper instant coffee. It has marketed/supplied the new product in bulk to entrepreneurs, NGO partners, and government agencies.

According to Vie Reyes, CEO of Bote Central, COVID-19 was a proof of concept that when there’s value added for farmers/producers, in this case roasting facilities, the farmers/producers win. Bote Central’s experience shows that the decentralized model works, the local economy works, and communities, hometowns, will work. Each community/hometown working with Bote Central could survive a lockdown without outside support because the equipment that was provided to them was an exceptionally good balance or opportunity for them to sustain production and processing.

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## Fair Trade Enterprise Repositioning through Environment-Friendly Face Masks

**Company** Salay Handmade Paper Industries, Inc (SHAPII)  
**(Organization) Name**

**Country** Philippines

**Address** Purok 1 National Highway, Salay, 9007 Misamis Oriental

**Phone** +63 88 583 0605

**Website** [salayhandmade.com/shapii-foundation.html](http://salayhandmade.com/shapii-foundation.html)

**Representative** Neil Francis Rafisura

Salay Handmade Paper Industries Inc. (SHAPII) is a Fair Trade enterprise located in Mindanao, specializing in the production of handmade and eco-friendly paper products. It was founded by 10 people in 1987 to form the handmade papermaking group of the People's Economic Council of Salay, Misamis Oriental.

Even before the start of the pandemic, SHAPII was already experiencing a reduction in sales and orders. Changing market preferences seemed to be driving a decline in demand for stationary items. Thus, during the pandemic, it was forced to close temporarily and cease operations. Still, a call from the World Fair Trade Organization (WFTO)-Asia for its members to contribute in combating COVID-19 by manufacturing personal protective equipment (PPE) prompted SHAPII to reopen. They shifted from producing hand-made stationery items to creating environmentally-friendly, biodegradable face masks. The innovation was made possible through the support of the Department of Science and Technology (DOST) and the Philippine Fiber Industry Development Authority (PhilFIDA). The support enabled SHAPII to add features to its purely hand-made technology by investing in hard assets such as printers, printing machines, high-speed sewing machines, big cutters, and the like.

Their face masks are made from locally sourced organic materials such as abaca and grass. In April 2020, SHAPII was recognized as the very first manufacturer of abaca face masks, which are more effective than regular cloth masks in terms of filtration and protection. The masks are also cost-effective because they are washable and can be reused 8 times.

In this way, the demand for SHAPII's products were on the decline prior to the pandemic, but COVID 19 provided an opportunity for the organization to do product innovation, revive and sustain operations, support local abaca producers, contribute to environmental protection, and combat the spread of the COVID-19.

### Mahachumchon - Inclusivity for the Urban Micro Entrepreneurs

<b>Company (Organization) Name</b>	Mahachumchon Company Limited	<b>Country</b>	Thailand
<b>Address</b>	22 Soi Samranrat, Mahachai Rd. Samranrat, Pranakorn, Bangkok	<b>Phone</b>	+66 92 620 5445
<b>Website</b>	satarana.com	<b>Representative</b>	Sanon Wangsangboon
<b>Number of employees/Sales</b>	37employees / 190,000 USD in 2019	<b>Social Mission</b>	Create sustainable cities
<b>Product/Service</b>	2 hostels partnering with surrounded communities to offer sustainable tourism Consultancy service on urban design Platform for local food delivery		

Mahachumchon Co.Ltd. is a social enterprise aiming to create sustainable cities that ensure inclusivity and better quality of life for everyone. It has two main business units: an inclusive hospitality business and a consultancy service on urban design. Regarding the hospitality business, there are two hostels (Once Again Hostel and Luk Hostel) and caf  s located right in Bangkok's tourist attraction areas, the Old Town and China Town. Their businesses tackle the problem of inequality derived from the tourism boom in Bangkok. While there are more and more tourists coming to Thailand, there has been a widening gap between the hospitality service and those communities located around the tourist attractions. The heart of both hostel businesses is to ensure that traditional communities in the tourist area benefit from the tourism industry through the development of tours in these communities and marketing for local products and services. Regarding the consultancy services, their well-known projects are "Mayday," a project collaborating with the Bangkok Metropolitan Administration to design more user-friendly bus signs to encourage greater efficiency for public transportation; and "Trawell," a platform that creates livelihoods for urban poor communities through story-telling and local product/service introduction.

COVID-19 has hugely affected Mahachumchon's business, as the tourism industry has come to a complete halt. The communities around the hostels have also been hit twice due to both the downturn of tourism and the lack of digital literacy among the community dwellers. These communities are made up of micro, home-based entrepreneurs making ready-to-eat food and handcrafts. Most of them are elderly who are not able to catch up with the trend of food delivery accelerated by COVID-19. As a result, Mahachumchon has pivoted their business operation from hostels to food delivery under a newly created platform called "Locali". They turn the reception areas of both hostels into food delivery hubs. Because of their close relationships with the communities, they knew what entrepreneur did what. This meant that they could quickly compile a whole bunch of food-makers in the communities into a zone-based list, do communication and marketing for these food-makers, set up a telephone-based system to collect orders from customers, and collaborate with motorcycle taxis in the communities for delivery. These motorcycle taxis had become unemployed due to the lockdown's effect on commuting.

Locall charges only 18% on each delivery, of which 15% goes directly into the community development fund while 3% goes to administration and management. This initiative not only helps the businesses to get by, but also contributes to the revival of household economy for elderly micro entrepreneurs who would otherwise have found the huge delivery platform currently available in the market to be inaccessible. Locall is now growing into a community-connecting platform that offers not only food delivery, but also incorporate more products and services such as crafts, tours of the communities, and catering services.

Mahachumchon is now looking to expand their impact by creating new hubs as a community connecting platform in other cities, and by digitalizing Locall to ensure a greater reach to customers.

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### COVID-19 is a time for businesses to reflect on themselves

<b>Company (Organization) Name</b>	SEED PLANTER
<b>Country</b>	Vietnam
<b>Address</b>	313/1 Nguyen Tieu La, Ward 8, District 10, Ho Chi Minh City
<b>Website</b>	seedplanter.org
<b>Representative</b>	Linh Lê, Amy Phan, Tuấn-Anh Hoàng
<b>Number of employees/Sales</b>	20 employees
<b>Social Mission</b>	Providing knowledge, skills, networks and resources necessary to break down barriers to social impact business.
<b>Product/Service</b>	Training programs, community events and mentoring networks and connect resources for social entrepreneurs.

#### Before Covid-19

Seed Planter is an organization that supports and enhances entrepreneurship capacity for young entrepreneurs (aged 22–35) who want to create positive changes with a social impact business model. Established in 2018, Seed Planter specializes in providing training programs, community events and mentoring networks to improve skills and connect resources for these social entrepreneurs. In 2019, Seed Planter was honored to receive the En Xanh award for their active contribution in promoting sustainable business initiatives in Vietnam.

Seed Planter's activities are implemented based on three core issues of social entrepreneurship: awareness, competence, and connection. With the aim of spreading the social impact business model, improving the capacity of entrepreneurship to create a social impact, and building a network of social entrepreneurs, Seed Planter's programs have approached and spread the social impact startup to more than 700,000 people in Vietnam and abroad. Seed Planter organized six training courses in Hanoi and Ho Chi Minh City for 120 trainees from more than fifteen provinces across the country. It also awarded twenty Seeding Camp scholarships to students who are in difficult circumstances or who are the beneficiaries or employees of the social impact businesses in the network.

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Seed Planter has successfully organized an Impact Enterprise Summit three times, and attracted nearly 1,000 participants. Annual business exhibitions at the Impact Enterprise Summit have helped nearly 100 businesses to introduce products and services to customers. In addition, through the Seeding Camp and Pursuing Purpose programs, Seed Planter has given in-depth business and project design skills to nearly 150 social entrepreneurs in the concept-forming and early stages.

### **At the Outbreak of Covid-19**

Seed Planter has always wondered how many people in small cities and rural areas have access to entrepreneurship knowledge. When COVID-19 took place, Seed Planter chose to change: instead of organizing the Impact Enterprise Summit offline in Ho Chi Minh City as before, Seed Planter switched the event online. Surprisingly, the program had a wider spread, with 380 registered participants from 23 provinces in Vietnam and 12 countries in many continents. It brought together more than 40 businesses and social impact initiatives. Maintaining the summit and converting it to an online event opened a new path by helping the Impact Enterprise Summit reach more people and no longer be bound by geographical barriers.

When COVID-19 broke out in early 2020, Seed Planter urgently implemented support activities for social impact businesses and startups facing increased difficulties. From April to June, nine dialogues between six experts and businesses were held to support social enterprises, solve current problems, and overcome difficulties. Seed Planter also sought information and shared stories of social impact businesses responding quickly and effectively to COVID-19; they thereby inspired other organizations in the startup community.

Seed Planter sees COVID-19 as a time for businesses to reflect on themselves. Many businesses have thought about changing their models, but due to insufficient resources, and especially motivation, they have still hesitated to change. For Seed Planter, COVID-19 is a “hook” appearing at the best time to motivate enterprises to have a more sustainable vision. Especially for businesses in the restaurant, hotel, and tourism sectors, or those with a supply chain, the customer base depends on international markets. That is where COVID-19 comes in. In the context of not knowing when COVID-19 will end, businesses with a lean business model, or those showing flexibility in diversifying revenue sources and sales channels, will have the ability to cope with the crisis better than others. For businesses creating a social impact, flexible improvisation based on existing strengths and the preparation of internal resources for a “new normal,” as well as the spirit to be ready to face events, are the secrets helping them stay stable.

Whether COVID-19 appeared or not, social and environmental challenges already existed. In the context of the outbreak, the role of social impact businesses has become more and more noticeable. They are an important resource in addressing social challenges sustainably and effectively, and help to change the lives of disadvantaged groups in a positive way.

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### From a Travel Agency to an Environmentally Friendly Business

<b>Company (Organization) Name</b>	Only Tour
<b>Country</b>	Korea
<b>Address</b>	809, 25 Insadong 5-gil, Insa-dong, Jongno-gu, Seoul
<b>Phone</b>	+82 2 737 3300
<b>Website</b>	www.onlytour.co.kr
<b>Representative</b>	Jeong-sik Kim
<b>Number of employees/Sales</b>	17 employees / 852,340 USD
<b>Social Mission</b>	Creating a sustainable world through trips
<b>Product/Service</b>	Trips that include volunteer work, environmentally friendly trips, trips for the physically impaired, visits to social economy-related places, distribution of environmentally friendly products

Only Tour began as a Vietnam fair travel agency in 2015. It has grown steadily into a travel agency that offers tour programs to around 40 countries.

Its goal was to create trips that make both the destination and the traveler happy. Accordingly, it has provided programs such as trips that include volunteer work, environmentally friendly trips that do no harm to the environment, trips that include visits to social economy-related places in the destination country, and trips in which travelers with physical impairment feel no inconvenience.

Based on its experience, Only Tour has begun operating fair trade shops and restaurants in Vietnam and has been preparing for the import and distribution of fair trade products through direct purchase from organic farms in the Southeast Asian region as well as Vietnamese restaurants that hire only Vietnamese migrant women in Korea.

The COVID-19 pandemic has severely hit the tourism industry. However, Only Tour is using this as an opportunity to diversify their services by introducing inbound tour packages and local tour packages for Koreans. In September, 2020, Only Tour also launched “project1907,” a waste resource upcycling brand and developed “platex,” a textile made of recycled plastics. Platex has introduced backpacks, shopper bags, and wallets made of worn-out yacht sails, which are hugely popular in the market. Furthermore, development of biodegradable daily products as well as fabric made of natural ingredients is also underway.

The change has triggered a revision of the company mission and company name. Only Tour is taking steps to change its name to Only World and its mission to “benefiting the world by producing useful goods and services.”

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# 2020 Asia Social Economy Integration Report

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