



Social Enterprise Policy Briefs

**Bangladesh, Indonesia, Malaysia,
Myanmar, Pakistan, The Philippines,
Sri Lanka and Viet Nam**

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Impact Economy Policy Impact in East and South Asia

The British Council and United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) signed a strategic partnership (MOU) in Feb 2017 to support policy makers and ecosystem builders in creating a more enabling environment for social enterprise and social impact investment. Key milestones include



Bangladesh

Supporting the National Advisory Board (NAB) in Bangladesh, chaired by the Ministry of Finance to develop a National Impact Investment Strategy and Action Plan



Indonesia

Supporting the inclusion of social entrepreneurship to the National Development Plan and concluding a policy gap analysis for the Ministry of National Development Planning (Bappenas)



Malaysia

Working with the Ministry of Entrepreneurship Development and Cooperatives (MEDAC) to conduct a social enterprise policy analysis to contribute to the National Entrepreneurship strategy



Myanmar

Contributing to a social enterprise policy paper to support the Enterprise Development strategy



Pakistan

Producing the first social enterprise policy paper and drafting a new social enterprise law



Philippines

Supporting the Poverty Reduction through Social Enterprise (PRESENT) coalition with consultations on a social enterprise bill



Contributed, through the EU co-funded CSO SEED programme, to the inclusion of social entrepreneurship in the basic law in the Bangsamoro Autonomous Region of Muslim Mindanao (BARMM)

Sri Lanka

Conducting a policy gap analysis of social enterprise and with ministerial support, establishing a cross-government working group focused on developing a national social enterprise strategy. We established a cross government working group on social enterprise with ministerial support



Viet Nam

Supporting the Vietnamese Government to recognise social enterprise within the legal system



Thailand

Providing technical assistance to the development of the Social Enterprise Promotion Act, which was adopted in 2019



Policy Background

Bangladesh has a wide and growing range of social enterprises and supporters. The country is home to two world-famous social enterprises – Grameen and Bangladesh Rural Advancement Committee (BRAC) – and policies related to social enterprise in Bangladesh go back to the Societies Registration Act of 1860 and the Trust Act 1882.



Trust Act
1860

Societies
Registration Act of
1860



These emerging businesses are often focused on education and literacy as well as employment creation, critical to the achievement of **the Sustainable Development Goals**, working to change the lives of young people and foster gender equality.

The British Council commissioned research on social enterprise in Bangladesh in 2016, which tells us that:



Social enterprises in Bangladesh are growing and most social enterprises expect their ventures to grow in the future



Bangladeshi social enterprises are young and so are their leaders (most are under 35)



Significantly more social enterprises are led by women than mainstream business (a fifth compared to only 5% of others)



Many social enterprises work in education and many are focused on employment creation

Activities

The British Council, in partnership with UNESCAP, has been working with partners since 2014 to develop a more supporting enabling environment for social enterprises in Bangladesh.

2014

The British Council workshop explored how to support social enterprise growth, with participants from government, the Central Bank, social enterprises, academic institutions and BRAC Enterprises

2015

The British Council and Swiss Agency for Development and Cooperation (SDC) organised a policy dialogue, 'Social Enterprise: Policy and Practice' with over 150 delegates

2016

The British Council two-day policy dialogue 'Social Enterprise: Impact and Opportunities' brought together around 150 delegates from the APAC region and the UK

The British Council commissioned a *Social Enterprise Policy Landscape* to explore the policy and legislative background for social enterprises and potential future changes

2016

State of Social Enterprise in Bangladesh published to help spread a better understanding, with launch event organised by the British Council for around 70 participants from across the government agencies, private sector and NGOs

2017

'Collaboration for Impact' was the third annual Social Enterprise forum in Bangladesh, delivered by the British Council in collaboration with the Prime Minister's Office. The event brought together 200 social entrepreneurs and policy makers

2020

The British Council supported the Ministry of Finance led National Advisory Board (NAB) for Impact Investment to develop a Bangladesh Impact Investment Strategy and Action Plan

Outcomes

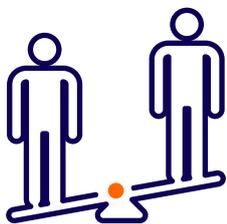
The ecosystem surrounding the Bangladesh impact economy is gradually developing, with a particular focus on investment. Since the launch of the Alternative Investment Rules by the Bangladesh Securities and Exchange Commission (BSEC) in 2015, Bangladesh Bank has released four key circulars to enable and encourage banks, non-bank financial institutions (NBFIs) and non-resident investors to contribute to impact funds.

The launch of the first proposed impact fund in 2017 by Build Bangladesh, in partnership with the United Nations Development Programme (UNDP)/UNDP SDG Impact Finance (UNSIF), and the establishment of the National Advisory Board (NAB) for Impact Investment in Bangladesh in 2018 was followed by the incorporation of NAB Bangladesh as the 19th member country of the Global Steering Group (GSG) for Impact Investing - critical steps for the development of impact investment in Bangladesh.

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Policy Background



Social enterprise in Indonesia is increasingly considered to be part of the solution for addressing the persistent challenge of inequality.

Specifically, government has recognised the role that social enterprise can play in providing more inclusive jobs and entrepreneurial opportunities for women and young people and in providing a solution to bridge the urban rural divide - particularly important given the challenges presented by Indonesia's vast and dispersed geography.



unlocking

Innovative and disruptive social enterprises as well as new approaches to unlocking new forms of private capital are also part of the government's strategy for achieving the Sustainable Development Goals (SDGs).

Research commissioned by the British Council tells us that social enterprises in Indonesia are:



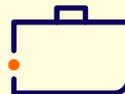
A dynamic and a growing area of the economy (42% increase in employees in one year)



Demonstrating their potential to address diverse social and environmental problems in all parts of the country



Often led by young people (75% are 18-44) and women (40%)



Creating inclusive jobs, faster than other businesses (69% of staff are women)



Often working in the creative industries (22%), agriculture and fisheries (16%), and education (15%)

More recent work on creative and social enterprises concludes that social enterprises are delivering against a range of the SDGs, creating more inclusive jobs and innovating to address the challenges that Indonesia faces.

The government has introduced a number of policies and strategies to support entrepreneurship in Indonesia. The opportunity now exists to review and adapt these policies in order to more explicitly support enterprises to maximise their social impact.

Activities

The British Council has instigated a number of activities, research and events to better understand and promote social enterprise in Indonesia, in partnership and with the support of UNESCAP and a range of local partners and stakeholders.

2018

The British Council began its support and partnership with the Indonesia Development Form (IDF), an annual flagship national policy event, which is led by the Ministry of National Development Planning (Bappenas)

Produced by the British Council and UNESCAP, the *State of Social Enterprise in Indonesia* revealed a strong, emerging sector with potential to address social and environmental problems

2019

The British Council facilitated meetings with the Executive Office of the President, Co-ordinating Ministry of Economic Affairs, and Ministry of National Development Planning (Bappenas)

The British Council sponsored a Creative and Social Enterprise Study Visit to the UK, with Ministry of Villages and Disadvantaged Regions, Ministry of National Development Planning (Bappenas)

2019

British Council focus on social entrepreneurship and creative economies at the IDF 2019, featuring Baroness Glenys Thornton

2020

Following the Asian Venture Philanthropy Network (AVPN) Southeast Asia Summit, British Council, UNESCAP and AVPN launched the *Creative and Social Enterprise Landscape Survey* which assessed the environment and potential for impact of Creative and Social Enterprises in Indonesia

The British Council, Bina Nusantara University and Social Enterprise UK research highlighted areas that the government need to focus on to develop social enterprises in Indonesia

Outcomes

Policymakers are taking note. The then Bappenas Minister Bambang Brodjonegoro stated in 2018 that 'social enterprises are opening up more inclusive employment opportunities that reach out to different minority groups such as women and people with disabilities and could be part of the answer to overcoming poverty and the unequal distribution of wealth in the country... There are many key roles that the Government of Indonesia can take, but one of the most crucial... is to create an enabling environment where social entrepreneurs can reach their full potential... the government aims to be an active partner of social entrepreneurs and is committed in continue building and nurturing the social entrepreneurship ecosystem.'

At the IDF 2019, Indonesian officials confirmed this growing interest in social enterprise, describing how the government has come to recognise social enterprises. In the past five years, Bappenas observed how social enterprises balance profit and social impact. The ministry stated that, 'we need to focus more on social enterprises in 2020-24, as they make a huge contribution by creating more inclusive jobs.'

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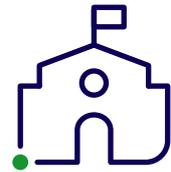
Social Enterprise Policy Brief

Malaysia

Policy Background

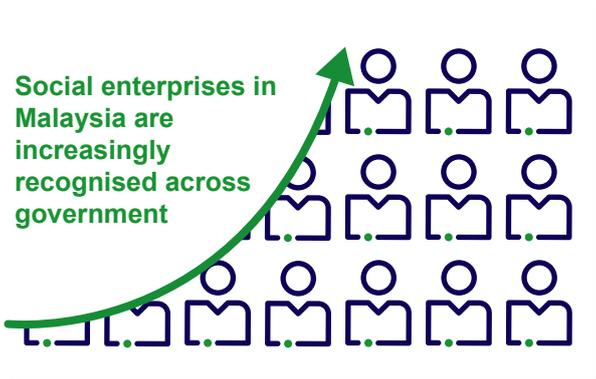
The government began playing an active role in recognising and promoting social entrepreneurship with the launch of the Malaysian Global Innovation & Creativity Centre (MaGIC) in 2014.

In the following year, the government launched the Malaysian Social Enterprise Blueprint for 2015-2018.



The British Council has worked closely with the Malaysian government on promoting social entrepreneurship for many years. After it was reestablished in 2018, the Ministry of Entrepreneur Development (MED) aimed to lead government efforts in developing Malaysian social enterprises. In 2019, MED launched the National Entrepreneurship Policy 2030. In 2020, the ministry's portfolio expanded, becoming the Ministry of Entrepreneur Development and Cooperatives (MEDAC).

Social enterprises in Malaysia are increasingly recognised across government



Social enterprises in Malaysia are increasingly recognised as critical drivers of innovation for sustainable development. The Minister for Entrepreneur Development described them as 'delivering significant impact to the community and the environment.' Social enterprises in Malaysia are working across range of SDGs, creating jobs and enhancing education for young people, protecting the environment and supporting vulnerable and marginalised communities.

Research commissioned by the British Council tells us that social enterprises in Malaysia are:



Predominantly based in the Klang Valley (66%), which is Malaysia's central economic region



Young (over 50% under five years old) and led by young people, and disproportionately led by women (54%)



Often working on education (22%) and the environment (24%), and with a mission to create jobs



Viable businesses (70% break even or make a profit) with significant growth ambitions

Activities

The British Council has undertaken a number of activities in Malaysia to support the development of policymaking with regard to social enterprise, over several years, working in partnership with UNESCAP, and a range of local partners.

2012-15

The Entrepreneurs for Good programme supported the business development of social enterprises through training, seed funding and incubation. Participants are now leading advocates for social enterprise

2015

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

2016

The Business Investment Readiness Programme partnered UK intermediaries with Malaysian partners including MaGIC and the Social Enterprise Academy to support social enterprises.

2016-20

British Council's Active Citizens programme in Malaysia promoted intercultural dialogue and social responsibility and built knowledge, skills and experience to create sustainable solutions

2017

The British Council supported the Social Economy and Investment Conference, in partnership with Agensi Inovasi Malaysia (AIM), MaGIC, MyHarapan and the World Bank, with 500 delegates and the launch of AIM's Social Outcomes Fund

2017

The British Council brought the instigator of the UK's Public Services (Social Value) Act, Chris White, to support the launch of MaGIC's Buy for Impact campaign, and convened two roundtable discussions and meetings with the National Strategy Unit

2018

The British Council published the *ASEAN Social Enterprise Structuring Guide* in partnership with UNESCAP to help social entrepreneurs better understand how to set up a social enterprise in eight ASEAN countries, including Malaysia

2019

The British Council published the *State of Social Enterprise in Malaysia*, in partnership with Social Enterprise UK, UNESCAP, MEDAC and others, updating MaGIC's *State of Social Enterprise in Malaysia 2014/2015*

2019

The British Council was a key partner at Social Enterprise World Forum (SEWF) in Ethiopia, inviting MEDAC then Director of International Relations and Social Enterprise to present at the event

2020

MEDAC, the British Council and UNESCAP initiated a policy consultation and gap analysis to inform the development of a Social Enterprise Blueprint 2021-2025 and the 12th Malaysia Plan 2021-2025

2020

A report was produced based on policy consultations with social enterprise stakeholders, and review and analysis of the policies, strategies and activities that impact on the growth of social enterprise in Malaysia. The report was presented to MEDAC in June 2020

Outcomes

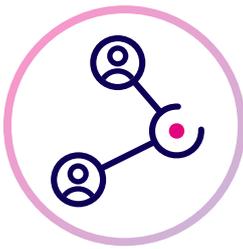
British Council received endorsement and support from the Ministry of Entrepreneur Development (MEDAC) for *The State of Social Enterprise in Malaysia* report for The State of Social Enterprise in Malaysia which was launched in March 2019. That event was a platform for MEDAC to engage with key actors within the ecosystem. A few months later, the British Council was requested by the Ministry to support the development of a social entrepreneurship strategy, developing a set of policy recommendations. The request recognises the thought leadership position that the British Council has established in Malaysia over a number of years.

In 2020, the Principal Assistant Secretary of Policy and Strategic Planning Division from Ministry of Entrepreneur Development and Cooperatives (MEDAC) wrote 'On behalf of MEDAC, I would like to express our deepest appreciation to British Council, UNESCAP and Tandemic for the cooperation given to us in completing this study.'

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Policy Background



Interest in social enterprise in Myanmar has gained traction in recent times. **The numbers of social enterprises in Myanmar have grown rapidly.** There has also been a significant growth in support services available to social enterprises with numerous programmes initiated.

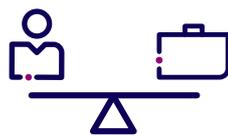


Myanmar has also started to see interest from social investors with the establishment of a number of impact funds focused on the country.

Research commissioned by the British Council tells us that social enterprises in Myanmar:



Are most commonly registered using for-profit legal forms



Often adopt a Work Integrated Social Enterprise (WISE) model e.g. they are focused on providing employment opportunities for particular excluded groups



Are often focused on provision of basic education and health care, two of the Sustainable Development Goals



Face many of the same challenges that exist in the broader business environment, which can be compounded by the additional challenge of having a social impact focus

Activities

The British Council, in partnership with UNESCAP, has been working for several years now to develop a more enabling environment for social enterprises in Myanmar, working with a range of local partners and stakeholders.

This work has included policy dialogues on social enterprise, and sharing experience and best practice with policy and business leaders in Myanmar. British Council worked closely with the Directorate of Investment and Companies Administration (DICA), Ministry of Planning and Finance (now Ministry of Investment and Foreign Economic Relations) throughout this time, including strengthening its capacity through training staff.

2012

Social enterprise was advocated in Myanmar, through the British Council Skills for Social Entrepreneurs Programme. This provided training and mentoring for social enterprises and support organisations

2013

The British Council launched a social enterprise landscape report in Myanmar

Two cross-government dialogues on responsible business were held with ministries, parliamentarians and business leaders. Training was also provided to civil servants on how to assess social and environmental impact.

2014

The British Council hosted a senior delegation from the Myanmar government and business community in the UK, in partnership with the Directorate of Investment and Companies Administration (DICA)

2014-18

The British Council's Education for Entrepreneurs programme was launched in partnership with Standard Chartered Bank. The initiative trained 64 social enterprise consultants who in turn supported 49 social enterprises in Myanmar.

2014

The British Council hosted a visit from Nobel Prize winner Professor Muhammad Yunus to Myanmar to raise awareness of the role of business in reducing poverty. He met with participants from the People Assembly, Parliament and various Ministries

The British Council hosted a high level meeting in Nay Pyi Taw to discuss how to promote responsible business and investment in Myanmar with the Director General of the Directorate of Investment and Companies Administration

2016

The British Council hosted a Social Enterprise Symposium in conjunction with the Social Enterprise World Forum (SEWF).

2017

The British Council, with UNESCAP contributed a social enterprise policy paper towards the Enterprise Development Strategy, in partnership with Myanmar Young Entrepreneurs Association (MYEA), to the Ministry of Planning and Finance

2019

A cross government working group on inclusive business and impact investment led by DICA was established

Outcomes

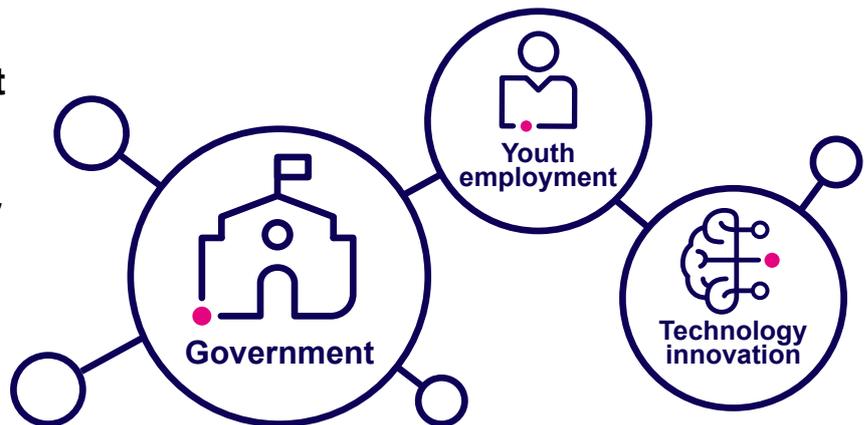
2017 saw the formation of the Myanmar First Social Entrepreneur Forum, together with Myanmar Young Entrepreneurs Association (MYEA) supported by UNESCAP. In 2019, the Ministry of Investment and Foreign Economic Relations and DaNa Facility formed the inclusive business and impact investment steering group Myanmar, of which the British Council and UNESCAP are both members.

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Policy Background

In Pakistan, the government has engaged with social enterprises indirectly through general support for entrepreneurship, which tends to focus on youth employment and technology innovation.



British Council research has found that Pakistani social enterprises:

Led by people under 35



have experienced a recent spike in the number of new start-ups, and most social enterprises are led by people under 35

20% Led by women



are four times as likely (20%) to be led by women than other SMEs (5%)

80% Anticipate staff to increase



are having economic impact and growing (80% anticipate staff to increase)

53% Education



30% Health & social care



are most often working in education (53%) and health and social care (30%)

A more recent study of creative and social enterprise concluded that these businesses are driving a more inclusive and sustainable economy, **creating jobs for those who need them most and delivering against a range of Sustainable Development Goals**

creating jobs faster than other businesses

spreading wealth more equally

developing creative and innovative solutions

building community and civic pride

Activities

Over the past five years, British Council has collaborated with the Ministry of Planning, Development and Reform and UNESCAP on social enterprise policy and research initiatives, with the support of local partners and stakeholders.

2014

The British Council launched a pilot programme on social enterprise in five universities, delivered in collaboration with the Higher Education Commission of Pakistan, to develop the capacity of student social entrepreneurs

2018

The British Council and the Ministry for Planning, Development and Reform agree collaboration to support the development of social entrepreneurship in Pakistan

The British Council commissioned the Sustainable Development Policy Institute and Social Enterprise UK to conduct a consultation on the policy environment with social enterprises which led to an 'issues paper' and draft legislation

2018-19

Four policy roundtables with public regulators brought together govt officials, elected parliamentarians, business leaders and investors, to develop a more enabling environment for social enterprises in Pakistan

2019

Issues paper launched, providing a robust set of recommendations to the government as to how the social enterprise agenda in Pakistan could be taken forward

2020

Draft law finalised to improve the regulatory regime for social enterprise, create a national level organised body to advocate for needs of SEs and assess the impact that they can create in the economy

Policy training and face-to-face meetings for civil service officials and ministry officials from provinces and regions, including State Bank of Pakistan, Federal Board of Revenue, Senate of Pakistan and more

Outcomes

The British Council in partnership with the Government of Pakistan, UNESCAP, UK partners and local stakeholders have been important actors in the emerging social enterprise landscape in Pakistan. This contributed to the creation of the Centre for Social Entrepreneurship in 2018.

As a result of the recommendations provided in the Issues Paper, the State Bank of Pakistan (SBP) Development Finance Group (DFG) have explored inclusion of social enterprises in SME Finance Policy. Additionally, draft equity crowdfunding regulation has been tabled in the parliament by SBP and Securities and Exchange Commission of Pakistan (SECP).

This law is expected to help social enterprises receive contributions from foreign investors, including from members of the Pakistani diaspora.

In addition, parliamentarians from the national assembly and provincial assemblies have helped draft legislation for social enterprises in Pakistan, with the support of SDPI and SEUK. This bill was to be tabled as a private member bill in the National Assembly before Covid-19 struck.

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Policy Background



164,000
social enterprise
in the Philippines

Social enterprise is gaining ground in the Philippines and estimates suggest there are as many as 164,000 in the country. They come in the form of

- co-operatives and associations of farmers
- trading development organizations practicing ethical and fair trade
- microfinance institutions
- social-mission driven corporations

They are run by and serve indigenous people, women, people with disabilities and overseas Filipino workers and their families, the rural and urban poor, providing decent jobs and services, sustainable livelihoods and access to markets.

There is growing recognition of the importance of social enterprises as partners of government in making good its commitment to accelerate the achievement of the Sustainable Development Goals



zero poverty



food security



reduced inequality



women's economic empowerment



building resilient and sustainable communities

An increasing number of senators and members of the House of Representatives, as well as some officials of the executive branch, have recognised the transformative role of social enterprises as social mission driven businesses that create and distribute wealth as they collaborate and empower the poor in economic development.

Research commissioned by the British Council and UNESCAP tells us that:



Social enterprise is vibrant and growing in the Philippines and awareness is rising

80%
Anticipate staff to increase



The economic impact of social enterprise is significant and growing (75% expect staff to increase)

< 50%
under 44

A new wave of young social entrepreneurs is emerging (over 50% are under 44)

Philippine social enterprises operate in diverse sectors

agriculture **19%**

education **9%**

business development **9%**

financial services **8%**

employment creation **8%**

Jobs created benefitted women



More than half of the jobs created benefitted women (56%) and newer social enterprises are more likely to be led by women

Activities

The British Council and UNESCAP have been working for several years now to develop a more supporting enabling environment for social enterprises in The Philippines, working with a range of local partners and stakeholders.

2012

The British Council's Skills for Social Entrepreneurs was very active in the Philippines, focused on research and raising awareness through a series of events and visits, bringing social entrepreneurs together to share and learn

The Social Enterprise Symposium was the first public event dedicated to establishing greater understanding of the role that social enterprise can play in fostering inclusive economic and social development

2015

The British Council commissioned *A Review of Social Enterprise Activity in the Philippines* which found that social enterprise is vibrant and growing in the, awareness is rising, and social enterprise can have a bigger impact in future

2019

Legislators introduced a PRESENT bill (see Outcomes below) to support social enterprise. Two hearings have been held by the Senate's Committee on Trade, Commerce and Entrepreneurship and the formation of a technical working group has been agreed. In the Senate, the Committee on Trade, Commerce and Entrepreneurship already conducted 2 committee hearings and the formation of a technical working group was agreed

Outcomes

Multiple departments have publicly expressed support for social enterprise. These include the Department of Trade and Industry; Agriculture; Agrarian Reform; Education; Social Welfare and Development; and the National Economic and Development Authority.

Social enterprise leaders and support institutions are advocating for a dedicated piece of legislation for social enterprises. Consolidated by the Poverty Reduction through Social Entrepreneurship (PRESENT) Coalition and sponsored by some senators and representatives of congress, the PRESENT Bill proposes a policy that 'promotes an environment conducive to the development and growth of a vibrant social enterprise sector engaged in poverty reduction, economic and social development'.

If passed and implemented, the law will encourage the adoption of social enterprise as an inclusive growth strategy in development plans, institutionalise training and education in social enterprise development, encourage research and development, increase accessibility of funding, and facilitate the market integration and expansion of these businesses.

Before the Covid-19 pandemic, the Senate Committee on Trade, Commerce and Entrepreneurship had already directed the creation of a Technical Working Group to reconcile the various versions of the PRESENT Bill that had been filed in the Senate. A number of members of the House of Representatives have also filed various versions of the PRESENT Bill.

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Policy Background



The social economy has a long history in Sri Lanka. From 1904, with the birth of the first co-operative society, to the present day, many types of social organisations undertaking various trading activities have played a big role in the country's socio-economic development. Among them, **co-operatives, farmer societies, thrift societies, welfare and development societies and self-help groups at village level** have been providing various welfare services to the people of Sri Lanka. The social welfare policies of successive governments have played an important role.

Sri Lankan policymakers and authorities are starting to increasingly appreciate the importance and contribution of social enterprises to national priorities and the Sustainable Development Goals. The national policy framework for SME development now places emphasis on supporting enterprises that generate a **'triple-bottom line'**



economic



environmental



social benefits

The first ever survey of social enterprises in Sri Lanka was carried out in 2018 and estimated the number of organisations to be around 11,000.

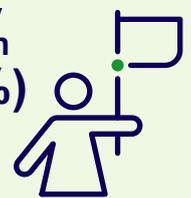
British Council research indicates the following about social enterprise in Sri Lanka:

38% launched since 2008



a burst of social enterprises have emerged in the last 10 years

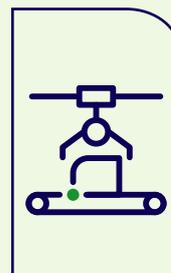
Led by women **(36%)**



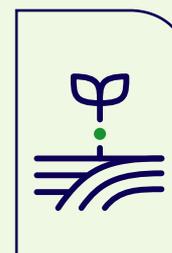
are more often led by women (36%) than other business (25%)

The most prominent sectors are

36% Manufacturing



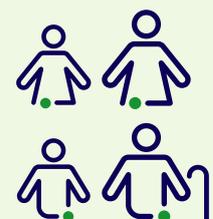
22% Agriculture



13% Cultural & Creative Industries



A majority work to create employment or income opportunities for vulnerable or marginalised populations within their communities



A major focus on women and girls and people with disabilities

Activities

The British Council and UNESCAP have been working for several years to support a more enabling environment for social enterprises in Sri Lanka, working with a range of local partners and stakeholders.

2017

Led by the British Council and Chrysalis (GTE), the European Union co-funded Integrated Rural Development programme is launched in Sri Lanka

2018

The British Council in partnership with UNESCAP, Ministry of Industry and Commerce and Lanka Social Ventures launch the first report on the social enterprise sector in Sri Lanka

The Ministry of Industry and Commerce, British Council and Lanka Social Ventures establish a Social Enterprise Policy Group with Ministries of National Policy, Finance, Agriculture, and Science and Technology

2018-19

National Enterprise Development Authority, British Council and Lanka Social Ventures train 300 officers responsible for entrepreneurship development and support at divisional, district and provincial levels

2019

British Council and Lanka Social Ventures in partnership with various ministries host the Second International Conference on Social Enterprise and Social Finance and a policy forum on social enterprise and social procurement

Outcomes

Social enterprise is emerging and becoming increasingly popular in Sri Lanka, especially among young entrepreneurs. The ecosystem is also growing with intermediaries expanding their service portfolios, enabling them to support more social enterprises across the country. New players are also emerging to provide critical business support services such as business incubation, capital, coaching and mentoring and access to markets.

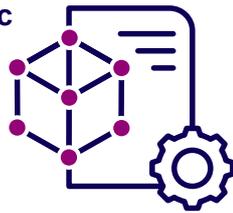
In 2018, the Ministry of Finance entered into an agreement with UNDP to establish two funds to promote and support social enterprises and impact investment – the Social Enterprise Fund and Social Impact Capital Fund in partnership with Lanka Impact Investing Network and Capital Alliance Group.

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Policy Background

Various forms of alternative business models, from public utility enterprises to agricultural co-operatives, existed in Viet Nam long before the concept of social enterprise was introduced in the late 2000s.



Following the active advocacy of dedicated intermediaries such as Centre for Social Initiatives Promotion (CSIP), Spark and especially the British Council, social enterprise was officially recognised in the Vietnamese legal system in the 2014 Enterprise Law. Since then, a social enterprise must register as either a limited company, joint stock company, state-owned enterprise, private enterprise or partnership. It must also declare its social and environmental commitment to the business registrar



Social Enterprises must reinvest at least 51% of profits to serve the registered social and environmental goals.

In 2015, the revised Civil Code also included social enterprises as a legal entity.

In Viet Nam, there is no single, designated government agency for social enterprise. However, with the recent efforts of ecosystem-building organisations, such as UNDP and the Center for Social Innovation and Entrepreneurship (CSIE), concepts such as social impact business and 'impact start-up' have started to become integrated into activities at the national level.

The British Council, together with CSIE and the Ministry of Education and Training, have integrated the concept of social enterprises into entrepreneurship programmes in higher education.

A study commissioned by the British Council suggests:



The number of social enterprises in Viet Nam is increasing investment and business activities are increasingly diversified and sustainable

While only 80 social enterprises are registered under the 2014 Enterprise Law, about 20,000 social enterprises may exist in the country, including over 12,000 cooperatives

64%
of Viet Nam social enterprises are profitable

75%
planning to attract new customer

62%
develop new products & services

58%
aged 25-44



Owners of social enterprises are usually young people (with 58% aged from 25 to 44), active, ambitious and concerned about social and community responsibility



Social enterprises are inclusive, employing a higher proportion of women than other businesses

Social enterprises in Viet Nam operate in diverse fields, especially

35%
agriculture

9%
hospitality

9%
education

Activities

The British Council has been working for over a decade now to develop a more supporting enabling environment for social enterprises in Viet Nam, in partnership with a range of local partners and stakeholders.

2009-12

The concept of Social Enterprise was first introduced to Viet Nam with the publication of the report *Social Enterprises in Viet Nam: Concept, Context and Policy* with the Central Institute for Economic Management (CIEM) and Centre for Social Initiatives Promotion (CSIP)

2012-14

The British Council supported a weekly TV programme to raise awareness of social enterprise

2015-20

Co-operating with the Ministry of Education and Training and universities to embed social entrepreneurship in teaching and research in higher education institutions

An international conference on Social Enterprise was organised with the National Economics University and Foreign Trade University

2016-20

A casebook on social enterprise was launched together with CIEM and the National Economics University

Outcomes

The ecosystem around social enterprises in Viet Nam is gradually improving and developing, in both quality and scale. The concept of social enterprise itself has also been developed as well as awareness of social innovation, social impact businesses and 'impact start-ups'. More players are now involved in the ecosystem, including major international organisations such as UNDP, as well as relevant ministries.

Although there is no specific support policy for social enterprise at the central level, the Socio-Economic Development Plan for the period 2021-2025 of the People's Committee of Ho Chi Minh City includes social enterprise as a development priority.

'Impact start-ups' have also recently recently received support from national start-up programmes. Cross-university and cross-country exchanges on social innovation are now commonplace and awards are held every two years, managed by Centre for Social Initiatives Promotion (CSIP) and Centre for Social Innovation and Entrepreneurship (CSIE). Social start-up contests, social innovation incubation and acceleration programs have begun to blossom. Private impact investment funds, supported by international development agencies, are now exploring the feasibility of entering the market.

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