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POVERTY REDUCTION AND WOMEN ECONOMIC LEADERSHIP:

Roles, Potentials and Challenges of Social Enterprises in Developing Countries in Asia

An Integrative Report of an ISEA-Oxfam Research Project on Social Enterprises with the Poor as Primary Stakeholders

INSTITUTE FOR
SOCIAL ENTREPRENEURSHIP IN ASIA (ISEA)

ISEA

OXFAM

PREFACE

It is a pleasure for me and for the United Nations Research Institute for Social Development, UNRISD, which I represent, to write the preface to the report of the ISEA-Oxfam Research Project on Social Enterprises with the Poor as Primary Stakeholders (SEPPS).

The objectives of the research were to (1) characterize the current state of social enterprises in the Philippines, Indonesia and Bangladesh and the context they find themselves in; (2) analyse how and to what extent social enterprises have contributed to poverty reduction and the economic empowerment of women over the past 5-10 years; and (3) assess the role and potential/challenges for social enterprises to emerge as key players in poverty reduction and women‘s empowerment in the next 10 years.

By mobilising a suitable methodology the research project has provided both conceptual and practical insights into social enterprises as vehicles for poverty reduction and the economic leadership of women in Asia. Despite a number of challenges faced in obtaining data the findings of this research have successfully (1) validated and enriched the concept of SEPPS as an emerging and relevant social enterprise segment in developing countries in Asia; (2) provided insights into the roles, potential and challenges faced by SEPPS in becoming key players in poverty reduction and women’s economic leadership (WEL); (3) provided insights into the roles, potential and challenges faced by support institutions and organizations, including businesses, governments and civil society; and (4) given additional information on WEL as a transformational framework for SEPPS to serve as vehicles for women‘s economic empowerment in developing contexts.

This research has succeeded in reaching its goals. What I would like to emphasise are the conceptual enrichment and insights this study has provided for an appraisal of the position and role of social enterprises and SEPPS in particular, as key tools for poverty reduction and women’s socioeconomic enhancement. Among other conceptual innovations, the notion of social enterprises as *hybrid socioeconomic organizations* straddling the for-profit and non-profit as well as the market and non-market spheres of the economy is key to apprehending the real nature of social enterprises in both their diversity and commonalities. As hybrid organizations, they provide a combination of market and non-market services to the poor they serve, which the study proposes to term *transactional services* and *transformational services* (based on Dacanay 2012, 2013), and *social inclusion services*.

As defined in the study, market-oriented transactional services assist the poor to become effective workers, suppliers and clients. Transformational services assist them in overcoming their capability deprivation to become instrumental in their own development. Social inclusion services directly assist the poor and their families to access basic needs and improve their quality of life. This clearly shows the *multifunctional nature of social enterprise*: SEPPS pursue a combination of socioeconomic objectives and balance means and ends to reach these goals. They mobilise different types of funding to provide different types of outcome, many of which are not monetary, but in kind services to the poor. This economic rationale contrasts with the capitalist rationale of profit-driven economic units which focuses on the monetary counterparts of economic goods and services in response to purchasing power only. It also explains why the social outcome of SEPPS is so difficult to assess. The heterogeneous nature of the social benefits provided by social enterprise requires a complex qualitative appraisal that goes far beyond what economic conventional tools are able to provide. Some repercussions such as self-esteem, emancipation and happiness might even remain intangible in nature.

In essence, social enterprises face economic conditions, opportunities and challenges that are context-specific and thus diverse. This, however, does not prevent conceptual appraisal in terms of what social enterprises commonly share. What the research has suggested is that the type of services the SEPPS provide, as well as the needs and challenges, both internal and external, they face, depend on the stage of development that SEPPS have reached, a process that is also dependent on the context it occurs in. In particular, the research underlines the evolutionary nature of social enterprise development: social enterprise seems to have the potential to evolve from a rather primitive stage of economic organization - characterized by low internal organization, weak governance and a lack of efficient management- to external support in a more mature stage - where financially autonomous socioeconomic enterprises show their ability to serve the poor, women and the community at large through innovation and collective learning.

This socioeconomic development path, which, when adequate conditions are met, characterises the evolution of the social enterprise from the pre-social enterprise to the mature social enterprise, seems to me to be the great revelation of this study. Showing why and how social enterprise has needs and faces challenges that are fundamentally different while sharing a common rationale explains the great variety of social enterprises in an integrated but differentiated way. Above all, it sheds some light on the appropriate conditions that are conducive to making social enterprises active vehicles for poverty eradication and women's economic empowerment. In a context where conventional programmes for reducing poverty and attaining gender equity have shown a lack of effectiveness and adequate appraisal of social enterprises remains fragmented, this achievement is crucial, relevant and timely.

Every development process depends on intrinsic and contextual factors. At every stage, SEPPS face different needs, as well as internal and external challenges. Evolving SEPPS might need considerable external funding and improved management skills while mature social enterprises might need appropriate support to scale-up and activate their social impact. Overcoming those obstacles requires (1) identifying the specific needs and challenges; (2) developing ways to fulfil these needs and overcome these challenges; (3) elaborating common strategies that reinforce internal and external relations, notably through internal reforms, learning and collaborative partnerships. Based on such methodology, further research can be done on identifying the types of needs and challenges social enterprises face depending on their specific level of development, as well as on the specific context they operate in. In my opinion, government policies, international organizations and NGO programmes and partnerships should be conceived and elaborated in line with the different level of development achieved by SEPPS and the different needs and challenges they face, in a process of co-conception and collaboration of policies, programmes and partnerships.

Overall, the research study has delivered what it promised in terms of research objectives and findings. However, its seems to me that it has gone beyond this, as not only many findings, but the overall methodology it proposes are potentially relevant to the whole Asian region, and even beyond. Local experiences cannot be replicated as such (context matters), but learning is possible, and is required to identify the common elements that may inspire the co-development of policies in different contexts. In this sense, the general methodology of this research study can be reinforced through its extension and application to additional countries in Asia and other regions.

Let me congratulate the authors and researchers who have contributed to this excellent study and inspiring research work, in particular the team leader, Marie Lisa Dacanay, President of the Institute for Social Entrepreneurship in Asia. Allow me also to thank Oxfam for having made this study possible. As a representative of UNRISD, I have found it both useful and insightful.

Pascal van Griethuysen
Head, Socially Sustainable Development Programme, UNRISD

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Marie Lisa Dacanay
President, Institute for Social Entrepreneurship in Asia
Project Director and Team Leader, Poverty Reduction and Women Economic Leadership:
Roles, Potentials and Challenges of Social Enterprises in Developing Countries in Asia

LIST OF ACRONYMS

ADB – Asian Development Bank
AKSI - *Asosiasi Kewirausahaan Sosial* Indonesia (Indonesian Association for Social Enterprises)
APPRAISE RAY - Agenda and Platform for Poverty Reduction and Addressing Inequality through Social Enterprise to enhance Reconstruction Assistance on Yolanda
ARB – Agrarian reform beneficiary
ASEAN – Association of Southeast Asian Nations
ASPPUK - Asosiasi Pendamping Perempuan Usaha Kecil
CARD MBA - Center for Agriculture and Rural Development Mutual Benefit Association
CARD MRI - Center for Agriculture and Rural Development- Mutually Reinforcing Institutions
CDA – Cooperative Development Authority
CDF – Cooperative Development Foundation
CEO – Chief Executive Officer
CRP - Centre for the Rehabilitation of the Paralyzed
CSR - Corporate Social Responsibility
FGD – Focus group discussion
FSSI - Foundation for a Sustainable Society, Inc.
FTO – Fair trade organization
GK - Gawad Kalinga
ICSEM - International Comparative Social Enterprise Models (Project)
INR (also R) – Indian Rupee
ISE - Impulse Social Enterprises (ISE) Pvt. Ltd.
ISEA - Institute for Social Entrepreneurship in Asia
KI – Key informant
KII – Key informant interview
KRA – Key result area
MCC - Mennonite Central Committee
MDG - Millennium Development Goal(s)
MDG1 - Millennium Development Goal 1: Eradicate extreme poverty and hunger
MDG3 - Millennium Development Goal 3: Promote gender equality and empower women
MFI - Microfinance institution
MGNREGRA - Mahatma Gandhi National Rural Employment Guarantee Act
MNC – Multi-national corporation
MoEF - Ministry of Environment and Forest
MSME - Micro, Small and Medium Enterprise
MWCD - Mulukanoor Women Cooperative Dairy

NABARD - National Bank for Agriculture and Rural Development
NEDA – National Economic and Development Authority
NewGen SE - New generation social enterprise
NGDO – Non-government development organization
NGO – Non-government organization
ODA - Official Development Assistance
OFW - Overseas Filipino worker
PEF - Peace and Equity Foundation
Philhealth – Philippines Health Insurance Corporation
PHP – Philippine Peso
PPI - Progress out of Poverty Index
PPP - Public-private partnership
PRESENT - Poverty Reduction through Social Entrepreneurship (refers to both Bill and Coalition)
RAY - Reconstruction Assistance on Yolanda
RISE - Reconstruction Initiative through Social Enterprise
Rs – Indian Rupees
SDG - Sustainable Development Goal(s)
SE – Social entrepreneurship or social enterprise
SEAL – (First) Social Enterprise Advocacy and Leveraging (Conference in Asia)
SEC - Securities and Exchange Commission
SEPPS - Social enterprise(s) with the poor as primary stakeholders
SHG – Self-help group
SROI - Social Return on Investment
SVK - Shanarpatty Vattara Kalanjiam
TARANGO - Training Assistance and Rural Development Non-Government Organization
TRADO - Trading development organization
UNDP – United Nations Development Programme
UNICEF – United Nations Children's Fund
USD – US Dollar
VMG – Vision, mission, goals
WB - World Bank
WEL - Women's Economic Leadership

CONTENTS

LIST OF TABLES

LIST OF ANNEXES

INTRODUCTION

Objectives of the Research

The Institute for Social Entrepreneurship in Asia (ISEA), in partnership with Oxfam GB, conducted a regional research to explore the roles, potentials and challenges faced by the emerging social enterprise sector as a key player in accelerating poverty reduction and women's economic leadership in Asia. The research focused on four countries - Bangladesh and India in South Asia, and the Philippines and Indonesia in Southeast Asia.

The objectives of the research were to:

1) characterize the current state of social enterprises in the focus countries and the context they find themselves in;
2) analyze how and to what extent social enterprises in the 4 countries may have contributed to poverty reduction and women's economic leadership t over the past 5-10 years; and
3) assess the role and potentials/challenges for social enterprises to emerge as a sector, and as a key player in poverty reduction and women's economic leadership in the 4 countries in the next 10 years.

The results of the research shall serve as input to the agenda building process for the emerging social enterprise sector to play a major role in poverty reduction and promoting women's economic leadership in Asia. It shall also provide inputs to Oxfam GB's enterprise development programming (in terms of incorporating social enterprise development perspectives) and ISEA's social entrepreneurship practice and advocacy (in terms of strengthening its women's empowerment agenda).

The expected short term outcome for the social enterprise sector is for participating social enterprises, networks and resource institutions, including ISEA and Oxfam-GB as well as their members and partners, to appreciate their role and articulate an agenda to strengthen the social enterprise sector as a key player in accelerating poverty reduction and women's economic leadership in Asia.

Background and Rationale

Asia is one of the fastest growing economic regions in the world. But such growth has not benefitted a large segment of the poor in the rural areas, especially women. In the 2012 Progress Report on the Millennium Development Goals (MDGs), South and Southeast Asia were deemed as regions that would most probably not meet 7 out of 15 (for Southeast Asia) and 10 out of 15 (for South Asia) key MDG targets by 2015. These include targets for MDG1 (Eradicate extreme poverty and hunger) and MDG3 (Promote gender equality and empower women).

Given this bleak scenario, the development community is in search of solutions and is looking beyond 2015. One proposition that is capturing the imagination of civil society participants in post-2015 strategy discussions is growing social enterprises as a key sector of the economy. They are seen as having the potential to become key players in poverty reduction and women's economic empowerment. It may be argued that in an economy where social enterprises would have become key players, the current paradox of worsening poverty amidst economic growth would be significantly overcome.

Research Focus

The research sought to focus on social enterprises with the poor as primary stakeholders (SEPPS). SEPPS are defined in detail in the next section on Research Questions and Analytical Framework.

The primary research focused on four countries - Bangladesh and India in South Asia, and the Philippines and Indonesia in Southeast Asia. These countries represent a variation of contexts vis-à-vis their actual achievement of the MDGs in general, and MDG1 and MDG3 in particular. The selection was thought to provide a good basis for a richer comparative analysis of the findings across countries. Also, social enterprises have reached a level of recognition in these countries such that they appear to be an emerging or existing sector.

Oxfam operates in the four countries. ISEA has members and partners in the four countries as well.

Research Questions and Analytical Framework

To explore the roles, potentials and challenges faced by the emerging social enterprise sector as a key player in accelerating poverty reduction and women's economic leadership in Asia, the following research questions were pursued in each of the countries studied:

1. How are social enterprises serving and addressing the needs of the poor as stakeholders? What is the extent of their outreach and what impact have they had among the poor? What challenges have they faced in serving and scaling up their impact on the poor? What is their level of influence in civil society, in government and in the corporate sector?
2. How and to what extent have social enterprises contributed to poverty reduction and women's economic leadership in the last 5-10 years? What are the prospects for these social enterprises to scale up their impact in the next 5-10 years?
3. How would you characterize the socio-economic and policy/ political environment in which these social enterprises operate? In scaling up their impact on the poor, what internal and external issues and challenges do these social enterprises expect to face in the next 5-10 years?

Based on a cross-country analysis of the results, the research hoped to answer the following research question: *Among social enterprises with the poor as primary stakeholders in Asia, what are: (a) their strengths, (b) the opportunities faced, and (c) the challenges faced -- to emerge as a significant sector and key player in accelerating poverty reduction and women economic empowerment in the region in the next 5-10 years?*

In the generation of the survey instruments and the analysis of results, the research was guided by the following frameworks.

SEPPS Framework (Dacanay, 2012)

Given the research focus on the role of social enterprises in poverty reduction, the research sought to find and analyze social enterprises with the poor as primary stakeholders (SEPPS), adopting the following definition resulting from earlier research undertaken in Asia:

> Social enterprises are social mission driven wealth creating organizations that have a double or triple bottom line (social, financial, environmental), explicitly have as principal objective poverty reduction/ alleviation or improving the quality of life of specific segments of the poor, and have a distributive enterprise philosophy.(Dacanay, 2012)

These social enterprises create economic and social value that accrue to the poor as primary stakeholders. The poor are engaged not only in a transactional way, as workers, clients or suppliers of these social enterprises, but also as transformational partners in social enterprise or value chain management as well as in social enterprise governance. At their best, the poor become full-fledged owners and decision makers of social enterprises, and act as change agents for themselves and their community, sector or society as a whole.

In engaging the poor, the social enterprises provide an array of enabling services that can likewise be termed as "transactional" or "transformational". These are defined in Dacanay 2012, pp. 304 and 321, as:

- **Transactional services** pertain to enterprise or market-driven activities, such as providing loans, demonstrating new technologies or conducting trainings that are necessary for the poor in the social enterprise system to effectively and efficiently perform their roles as workers, suppliers, clients and owners. Transactional services are usually defined by what is needed by enterprise operations to serve markets effectively and efficiently, so are enterprise or market-driven.
- **Transformational services** pertain to sustained activities that empower the poor, such as leadership formation and organizational development, asset build-up and providing education and experiential learning opportunities, to become conscious change agents for themselves, for their communities, sectors and society as a whole. Transformational services are defined by what the poor need to become conscious actors in overcoming their poverty situation, so are primary stakeholder-driven.

Transactional services may be fee-based (for example, loans) or non-fee-based (for example, trainings). Transformational services may be individually-directed (like scholarships to finish high school and/or college) or group-directed (for example, organizing and leadership formation).

Women's Economic Leadership (WEL) Framework (Oxfam, n.d.; Bowman K., 2014; Sahan and Fischer-Mackay, 2011)

Women's Economic Leadership (WEL) is at the core of Oxfam's aspiration for women to gain economic and social power to move out of poverty. In practical terms, this means:

- Women securing access and control over land, agricultural inputs and other productive resources

- Gaining power in markets where women, individually and collectively, increase their bargaining or negotiating authority, taking on leadership roles in institutions or businesses, and gaining new roles or more powerful positions in the marketplace (e.g. cooperatives, producer groups, social enterprises or medium and large enterprises)
- Enabling equal relations between women and men at different levels (household, community, markets and wider society)

The starting point for promoting WEL is one of rights. Gender inequality and the denial of women's basic human rights is one of the greatest barriers to poverty eradication worldwide. Oxfam's commitment to *'putting women's rights at the heart of all we do'* – is at the core of its development programmes and the way that it wants to contribute to both gender equality and the elimination of poverty and suffering.

WEL also presents a business case where women have the right to participate equally and fully and enjoy equal control in the economy. Oxfam believes on the fundamental economic argument that gender inequality slows economic growth, and conversely, gender equality can increase the productivity of investments in agriculture and other livelihood initiatives. By extending services and rights to women, markets would have a higher number of well-informed and engaged actors, thus improving efficiency, yield and quality. Women economic leaders can be producers, entrepreneurs or waged workers.

<u>Concept of a plural economy (ICSEM project, 2012; Laville, 2010)</u>

This concept seeks to help locate the place of social enterprises in the overall economy. Framed within a "welfare triangle", social enterprise is seen as a combination of various actors, logics of action and resources. The concept distinguishes different kinds of actors: the state, private for-profit companies and communities/ households; and highlights the resources and rationales on which these actors develop their activities.

Based on this, the economy must be seen as plural, characterized by various forms of exchange:

- the *market* principle facilitates the matching of the supply and demand for goods and services for the purpose of trade through price setting;
- *redistribution* is the principle whereby (part of) the production is handed over to a central authority (generally the state) – that is responsible for distributing it; and
- *reciprocity,* or mutual help, voluntary complementation and interdependence, constitutes an original principle of economic activity based on the logic of symmetry.[1]

This view of the entire economy is seen to enrich the analysis of the third sector (all types of not-for-profit organization) or what is referred to as the "social economy" in various European countries.

This is a useful framework for social enterprises with the poor as primary stakeholders (SEPPS) as they need to be understood as third sector organizations intermeshing different resources and rationales and experiencing tensions between the for-profit and not for-profit, public and private, formal and informal spheres within a plural economy (rather than just a

[1] Culled from Appendix 2: The "Welfare Triangle as a Common Reference" contained in a 2012 ICSEM Project document. ICSEM is the International Comparative Social Enterprise Models Project, an ongoing global research initiative started in 2012 led by the EMES European Research Network and involving researchers from over 50 countries.

purely market economy, a plural economy also has a social and/or solidarity economy) governed by various forms of exchange -- market, redistribution and reciprocity.

Research Methods, Scope and Limitations

1) Rapid Appraisal

The research in Bangladesh, India, Indonesia and the Philippines started with a rapid appraisal of the social enterprise (SE) sector in each country. The rapid appraisal sought to generate information on the current state of social enterprises engaging with the poor, the context in which these enterprises find themselves, and indications of trends, roles, potentials and challenges for social enterprises in connection with poverty reduction and women's economic empowerment in the respective countries.

The rapid appraisal was done through a review of literature,[2] key informant interviews (KIIs), and focus group discussions (FGDs). Key informants and FGD participants came from prominent SEs, networks of SEs, key SE resource institutions including social investors, and significant partners of SEs from civil society, government and the corporate sector. Key informants also included development agencies (including Oxfam) that have significant partnerships with SEs or enterprise development programs engaging poverty sectors.

2) Survey

The rapid appraisal also provided inputs for the determination of a purposive sample of SEs identified as having played/ are potentially playing roles in poverty reduction. A net respondent base of 60 such SEPPS was targeted per country. In the Research Note, it was targeted that at least 50% or 30 of the SEs or SEPPS surveyed per country should have played or could potentially play key roles in women economic empowerment.

A set of two survey questionnaires was sent to targeted enterprises. One, termed Profile and Fact Sheets, was aimed at getting a comprehensive set of data on various aspects of the SE. The other questionnaire was sent specifically to the CEO to obtain his/her perceptions of the SE's services and impact, and challenges/ potentials for the SE.

3) Additional Data-Gathering for Caselets

From the set of social enterprises that responded to the survey in each country, four to five social enterprises were selected and given focus as caselets to highlight key characteristics of social enterprises. Additional key informant interviews were conducted, and additional data gathered, to generate profiles of the selected enterprises, focusing on their engagement of the poor. Annex A lists and briefly describes these selected enterprises.[3]

[2] The Country Reports contain detailed surveys of literature and references, including the lists of Key Informants and surveyed Social Enterprises (SEs). This Integrative Report summarizes key findings from the Country Reports and draws conclusions and recommendations based on these findings. Unless particularly cited or otherwise specified, references for the data/ information are the respective Country Reports.

[3] These brief descriptions are sourced from the longer profiles contained in the respective Country Reports.

The actual number of survey respondents differed from target, and varied among the 4 countries.

In the Philippines, a long list over 100 institutions was drawn up for the survey, based on the KIIs and FGDs. These were trimmed down to 73 social enterprises that passed further screening based on three qualifications, namely (i) significant outreach, (ii) qualitative impact on the poor; and (iii) pioneering or significant potential impact, if a relatively new social enterprise. Questionnaires were sent out to the 73, but only 32 SEs (44% of total sent out) submitted their responses. This number is considered an adequate sample for the study, given the prior screening and given that the survey was able to net a good cross-section of SEs actively engaging the poor.

The Bangladesh survey was able to capture the target number of 60. The SEs selected as samples were “snowball” samples, primarily selected from contacts of the Development Wheel (in charge of the country research). The surveyed SEs are mainly involved in ethical trade, mostly in the handicraft business. The country research team decided to keep the number of micro-credit institutions low (though these were more common in the country) to accommodate other types of SEs.

The Indonesia survey was able to cover 59 SEs. However, due to budget and time constraints, the survey was limited to Greater Jakarta and the surrounding area within the perimeter of 80 kilometers, later expanding to Bandung City. Hence, the character of the sample is limited to SEs situated in an urban/peri-urban context. Because of this character, the largest number of SEs covered were engaged in microfinance or small enterprises that serve consumer needs.

For India, survey questionnaires were sent out to 55 SEs in various regions of the country, but only 16 responses were received. The biggest and most well-known social enterprises (described in the Rapid Appraisal section) notably did not participate in the survey. Respondents are predominantly from South India with 14, with one each from West India and the North East.

The questionnaires sought to generate comprehensive information on the SEs. However, some respondents did not, or were unable to, provide complete answers. Financial and other quantitative data (e.g. on quantitative impact) were particularly scant. Moreover, although the questionnaire asked for gender-disaggregated data for membership, outreach/ reach of services and participation of the poor in governance and management, not all SEs surveyed were able to answer at this level of detail. The gaps were apparently due to various factors, including the length and complexity of the questionnaire, language barriers, cultural and other factors which led to the reluctance of some respondents to disclose financial information in particular, and lack/ insufficiency of impact monitoring and assessment to reliably establish the SEs’ impact.

On the whole, the targeted scope of the survey in terms of sampling and scope of information-gathering proved to be too ambitious given the resources, time frame, language barriers and the differentiated appreciation/ familiarity of the research teams with SEPPs as a segment of social enterprises in their respective countries. This affected the nature, number, geographic reach and/or mix of the SEPPS sample.

The requirements of the survey also led to its becoming the operational focus, in turn affecting the quality of the data for the caselets.

Research Outputs

The outputs of the research project are:

1. Country reports on roles, potentials, and challenges faced by the emerging social enterprise sector as a key player in accelerating poverty reduction and women's economic leadership in Asia.
2. Regional (i.e. Integrative) report on roles, potentials, and challenges faced by the emerging social enterprise sector as a key player in accelerating poverty reduction and women's economic leadership in Asia.

This document is the Integrative Report, which summarizes key findings and discussions from the country reports and draws overall conclusions and recommendations based on these findings. Primary and secondary references are detailed in the respective country reports.

Highlights of the country reports and the draft integrative research output were shared during the First Social Enterprise Advocacy and Leveraging Conference in Asia (SEAL-Asia), with the theme Transforming Economies through Social Entrepreneurship: A Post 2015 Development Agenda, held on November 25-27, 2014 in Makati City, Philippines. The draft Integrative Report shared during the Conference did not include information on India, since the India research output was not received on time for integration prior to the Conference. This Final Report includes the information from the India research. Also, major additional inputs from the Conference, especially on conclusions and recommendations, are integrated in this Final Report.

RAPID APPRAISAL OF THE SOCIAL ENTERPRISE SECTOR AND THE CONTEXT IN WHICH THEY OPERATE:

BANGLADESH, INDIA, INDONESIA AND THE PHILIPPINES

The rapid appraisal showed that a significant part of the social enterprise sector in each of the 4 countries grew from projects initiated by non-government and other development organizations starting several decades ago, mostly in the 1970s and 1980s. Over the past decades, different types of social enterprises have emerged in the different countries. These social enterprises are all animated by a social mission, responding to the need to address poverty, empower the poor and other marginalized sectors (including women), protect the environment, and the like. However, there are differences in form and in the nature of engagement with the poor.

There are no existing databases on the number of social enterprises in each of the four countries, nor on the number of the poor served. Except for the Philippines, the research was not able to generate adequate data to make informed estimates. However, the social enterprise sectors in these countries are seen to be growing and gaining recognition.

Straddling the non-profit and for-profit spheres of the economy as they do, social enterprises tend to be governed by laws on micro, small and medium enterprises (MSMEs) or civil society organizations, or cooperatives, if they have adopted this form. As yet, there are no distinct laws or government programs recognizing or supporting social enterprises. At best, there are networks and platforms organized by social enterprises and social entrepreneurship resource institutions. Indonesia has AKSI, the Indonesian Association for Social Enterprises. In the Philippines, two platforms aimed at policy advocacy have been recently organized by SEs and resource institutions (including ISEA). These are the Reconstruction Initiative through Social Enterprise (RISE) and the Poverty Reduction through Social Entrepreneurship (PRESENT) Bill and Coalition, both aimed at support for the sector. These initiatives are discussed in the respective country profiles.

BANGLADESH

History and Profile of the Social Enterprise Sector

With roots that can be traced back to the early 1900s, income-generating small and medium businesses were promoted in earnest in Bangladesh after liberation (1971) by different NGOs as a means of creating livelihood for the war-ravaged communities. Some of the largest NGOs and social enterprises at present were established in the 1970s. One major model that emerged from the decade was that of micro-credit, giving rise to giants such as BRAC, Proshika, ASA and Grameen Bank. Gradually, NGOs started other enterprises, with the term ‘social enterprise’ or ‘social business’ entering the lexicon in the 1980s and 90s.

To date, different models have emerged, which can be roughly categorized as:

- The **BRAC brand of Social Enterprises**, which started with handicraft and cottage textile products under the name of Aarong, a boutique shop. Subsequently, BRAC began large-scale conventional commercial ventures like other businesses such as a tea estate, dairy, poultry, bank, university, and so on. The main objective is to use the profits from these commercial businesses to fund social development programmes. This is sometimes referred to as a 'hybrid model' of social enterprise.[4]

- The **'social business' model** promoted by the Grameen Bank's former Managing Director, Dr. Muhammad Yunus, which usually means independent enterprises mostly in the form of joint ventures with Multi-National Corporations (MNCs). The proponents of these enterprises claim that their ventures cater to the poor consumers. The key feature in the model is that the big businesses or their owners will invest in businesses with a social objective such as overcoming poverty, and not profit maximization.

- **Commercially-run businesses** that have started **with specific social and environmental objectives**, such as Waste Concern and Kazi and Kazi. Variants include public-private partnerships (PPP), where government agencies are involved besides international development agencies and NGOs, as in the case of Waste Concern, and NGO-MNC collaboration like the Jita model (stemming from the Bata Shoes – CARE collaboration 'Rural Sales Project') which aims to expand marketing of MNCs while benefiting the poor with employment and beneficial products.

- **Conventional income generating and local products marketing** (mainly handicraft and fair trade) **or microcredit businesses**.

The commonality of these different models is that they all seek to engage and benefit the poor as producer, client or worker. The SEs working primarily with the poor as their stakeholders are mostly involved in making handicrafts. A significant segment of them are involved in producing different types of textiles, embroidery and garment items. Other typical products are pottery, jute, wood, cane and bamboo crafts, etc.

<u>State of MDG1 and MDG3 accomplishments</u>

Goal 1: Eradicate Extreme Poverty and Hunger

According to the MDG Bangladesh Progress Report 2012, Bangladesh has made commendable progress in eradicating poverty and hunger. Key indicators follow:

- Bangladesh has already achieved the indicators of Target 1 by reducing the poverty gap ratio to 6.5 against the 2015 target of 8.0.
- The national poverty headcount ratio declined from 56.7% in 1991-92 to 31.5% in 2010,[5] and may have reached 29% by 2012. Extreme poverty significantly dropped during the period 2005-2010.
- The percentage of extreme poor population has decreased by 29.6% (or by 7.4 percentage points), from 25% of the population in 2005 to 17.6% in 2010; the incidence of extreme poverty declined by 47% (or by 7 percentage points) in urban areas and 26% (or by 7.5 percentage points) in rural areas.

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[4] BSEP policy brief http://www.bei-bd.org/images/report/whc4f30f4975c4de.pdf(accessed on Feb 3, 2014). (From Bangladesh Country Report)

[5] Based on Household Expenditure Survey (HES) 1991-92 and Household Income and Expenditure Survey (HIES) 2000, 2005 and 2010 of the Bangladesh Bureau of Statistics (BBS). (From Bangladesh Country Report)

- The absolute number of poor people has also declined as the decline in headcount ratio was greater than population growth during the period 2005-2010.

Still, according to the Progress Report 2012, underemployment is prevalent among the young people aged between 15 to 24 years, who comprise nearly 9% of the country's population and 23% of the labour force. The share of the manufacturing sector in GDP has increased and that of agriculture has declined. The service sector has remained the dominant contributor to GDP and continued its level of contribution from the 1990s to 2000s.

Based on the Labour Force Survey 2010, only 59.3% (56.7 million) of the population over 15 years of age was economically active by 2010. The participation rate of women, though steadily increasing over the last two decades, from 14% in 1990-91 to 36% in 2010, is still quite low. Moreover, the returns from labour force participation for female wage earners are lower than those for males. The annual rates of labour force and employment growth have also been rather low, while women's contribution to the annual increment of such growth is comparatively higher than that of men.

While Bangladesh has demonstrated its ability to achieve the goal of poverty reduction within the targeted timeframe, attaining food security and nutritional well-being still remains a challenge. The other major challenges are reducing income inequality and the low economic participation of women in the economic sectors.

Goal 3: Promote Gender Equality and Empower Women

Bangladesh has already achieved the goals regarding gender parity in primary and secondary education at the national level. There has also been continued progress in the social and political empowerment of women in Bangladesh. In 2011, Bangladesh adopted the National Policy for Women's Advancement and a series of programs for ensuring sustainable development of women. In the last national election, the number of women parliamentarians elected increased significantly to 20% of total seats.

However, as noted regarding MDG1, labor force participation rate for women, and returns from participation (as compared to men) remain low. Only one woman out of every five is engaged in wage employment in the non-agricultural sector.

<u>Policy Environment</u>

In terms of the regulatory framework, SEs in Bangladesh could be roughly divided into two categories - some are running as pure commercial businesses and others as part or programme of NGOs. The first group of SEs are governed by business laws but the second group of SEs are also affected by NGO-related laws.

Laws of particular relevance to SEs are:

- the Societies Registration Act, 1860, which prohibits all voluntary societies from business-oriented projects and distribution of benefits or assets among its members if it is dissolved;
- the Voluntary Social Welfare Agencies Ordinance, 1961, which allows making profit if it creates job opportunities; and

- the Income Tax Ordinance of 1984, which states that all NGOs are exempted from corporate tax but the income generated from profit-earning activities must be spent for charitable purposes and not appropriated by any individual in the form of dividends.

There were concerns that the state was being deprived of taxes by NGOs taking advantage of loopholes in the regulations, running commercial ventures in the name of development. The government later imposed taxes on such ventures.

INDIA

History and Profile of the Social Enterprise Sector

Commercial organizations embedded with principles of social welfare have been in existence in India for more than 50 years. In the 1960s, government promoted cooperative societies with the integrated principle of wealth creation for social causes. In the late 1980s, the self-help group (SHG) movement paved the way for community-owned and managed social enterprises. Since then, different typologies of social enterprises have thus emerged, but not much research has been conducted on this emerging sector.

Based on the initiator/ originator, four broad categories of social enterprises can be distinguished:

- **NGO-Facilitated Social Enterprises.** These include: 1) women microfinance or community banking federations with SHGs as primary members and promoters, but with the professional assistance of NGOs; and 2) women cooperatives that focus on single products and relevant services. The concept of women microfinance federations has been spearheaded by civil society organisations such as DHAN Foundation, MYRADA, SKDRDP, AKRSP, CMF, PEDO, IDTADA, PREM, PRADAN, and SEWA. Each federation has around 3,000 to 10,000 poor women as members and typically reaches an average turnover of USD 1.54 million through microfinance operations within 3-5 years of establishment. The federation facilitates formation of producers groups and activity-based groups, skills-building, and linkages with markets, business organizations and government organizations. For individual cooperatives, a major actor is the Cooperative Development Foundation (CDF), a professional NGO which is a successful promoter of the cooperative model of social enterprise in India. The social enterprise model promoted by CDF is a mutual cooperative model around microfinance, agriculture, milk production and marketing, seed production and agriculture products marketing. The role of the CDF is to provide training and capacity building for members and leaders.

- **Community-Promoted Social Enterprises.** These are SEs set up by community members, which were not dependent on external organizations for resources and guidance. A few of these SEs have existed for more than 3 or 4 decades. The most well-known include the Nutan Mumbai Tiffin Box Suppliers Association (NMTBSA), popularly known as *Dubbawala*. More than a hundred years in existence, and formally registered in 1956, *Dubbawala* regularly delivers “lunch boxes” to office workers from the workers’ homes or other sources, per a schedule; it is claimed that the boxes have never reached the wrong person. Now with a turnover of more than USD 11 million a year, the NMTBSA has been given the ‘Six Sigma Plus’ performance rating by Forbes magazine for its precision. Badrakaliamman Nadar Uravin Murai Sangam is a community organization with multiple products and services such as milk production and marketing, trading in groceries, household utensils, textile shops and small petty businesses. It has greatly contributed towards community development by providing healthcare, education, basic amenities, recreation facilities and social security. Shri Mahila Griha Udyog Lijjat Papad was started by seven women in one of the slums in Mumbai city with a focus on women economic empowerment. The organization has now grown to 42,000 women with more than USD 100 million annual turnover.

- **Social Enterprises by Individuals.** Individuals with professional education, innovative orientation and societal concern have initiated social enterprises to meet the needs of the underprivileged and marginalized in society. Some academic institutions, NGOs and Government organizations provide initial financial, technical and advisory support to those individuals and encourage them to promote different models of social enterprises suitable to the local contexts as pilots. Examples include ROPE, which produces and markets crafts from banana fiber with rural women; SELCO, which has low cost solar energy products for poor households in rural and urban areas; Goonj, which collects clothes and makes these available to the needy in rural and remote areas; and WomenWeave, which produces and markets handicrafts involving rural women.

- **Corporate Partnering with Community-Owned Social Enterprises.** Some businesses engage communities in partnerships on their core business processes, which also results in the development of the community. Examples include the partnership of Titan Industries Limited, a leading watch and jewellery manufacturer with MEADOW (Management of Enterprises And Development Of Women), a micro enterprise of a small group of women from poor households, facilitated by MYRADA, an NGO. MEADOW's involvement started with the single activity of bracelet link assembly and has now moved to fourteen different activities.

- **Government-Promoted Social Enterprises**
  This is an emerging model that still has to prove success. Most of the State governments extend some assistance to self-help groups and federations. One of the Southern States – Kerala, has implemented an integrated model of SEs with social objective – termed 'Kudubhashree' – that works in collaboration with the local governance system in the entire state. Similarly, the Maharastra government has promoted a community model of SEs named as 'MAVIM'. Tamil Nadu with 'Pudhu Vazhvu Project' and the Andhra Pradesh Government model 'SERP' have promoted community-based women empowerment models around microfinance and business enterprises at a large scale. Similar initiatives are expected to be facilitated by the Government of India in the coming years in other States through the National Rural Livelihood Mission Programme.

Most of the SEs have women as the main stakeholders, and women are positioned well in the leadership levels. The government and the banking sector have played a significant role in promotion and stabilization of different types of SEs through favourable policy environment and regulation.

<u>State of MDG1 and MDG3 accomplishments</u>

Goal 1: Eradicate Extreme Poverty and Hunger

India is a federal country with 35 States and a total population of 1.21 billion, 51.54% male and 48.46% female. The organized sector engages only 12–13% of the workforce. The remaining 87% consists of sectors such as agriculture, where the seasonality, low wage rates, and shrinkage of productive land due to conversion into residential plots and climate change lead to increase in poverty. Poverty in India is multidimensional, and being a welfare country, it implements different welfare programs to address health, education, malnutrition, political participation and other women and children empowerment issues.

The 2013 report on India's progress on the MDGs stated that the country had already achieved the poverty reduction target, with 21.9% against the target of 23.9%; it is also expected that the rate can be further reduced to 20.74% by the end of 2015. The major concern found is slow reduction of the rate of malnutrition (severe and moderate) of children with age under three years, which was still at 40% in 2013, against the target of 26%.

To address the gaps, the Government has integrated MDGs into its 12th five year plan and initiated different programmes to address the gaps specific to different goals. Three Government Ministries – the Ministry of Agriculture and Cooperation, the Ministry of Rural Development and the Ministry of Housing and Urban Poverty Alleviation – have initiated programmes on food security, rural employment and urban livelihoods, respectively.

Goal 3: Promote Gender Equality and Empower Women

Despite improved economic growth in the country, women labour force participation in the rural areas has declined from 33.3% in 2004-05 to 26.5% in 2009-10, per the Employment and Unemployment Survey, and from 17.8% to 14.6% in urban areas as per National Sample Survey Organisation 2011. According to ILO's Global Employment Trends report 2013, India ranked 120th among 131 countries in terms of women's labour force participation. Clearly, gender inequality still exists in creating employment opportunities and facilitating economic independence for women.

The highest percentage (68%) of women are in the agriculture sector, compared to 16% in the service sector – an opposite profile to men. The 2013 MDG Report showed that the percentage share of women in the non-agriculture work force is only at 19%, vs. the target of 50%. The recent trend shows that farming has become a feminine activity, as most of the men migrate to other places in search of better employment opportunities in secondary (industrial) and tertiary (service) sectors. However, the employment of women in agriculture cannot be seen as a progressive development for the autonomy of women, as the income earned from agriculture does not give them control over the income.

The MDG Report states that, in 2011, gender parity in primary education had been achieved with 1.08 which is beyond the target set (1). Rates at the secondary and tertiary education levels were 0.88 and 0.79 respectively, which may likely improve by 2015, according to the report. In politics, women occupy 11% of the seats in the national parliament against the target of 50%.

For MDG 3, the following initiatives have been taken by the Government: National Policy on Universal Primary Education, National Programme on Nutritional Support to Primary Educations through Mid-Day Meals schemes, *Rashtriya Madhyamic Shiksha Abhiyan* (National Mission on Secondary Education), and *Rashtriya Uchhtar Shiksha Abhiyan* (a national higher education campaign).

Policy Environment

India has been implementing poverty reduction programs since its independence in 1947. Recent programmes include the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in 2006, a flagship programme which provides 100 days of guaranteed employment with statutory minimum wages for the rural workforce. Past programs have aimed to create productive assets for rural households through financial assistance. The Government has also initiated sectoral development programmes related to agriculture and enterprise development. After comprehensive review of the performance of various poverty alleviation programmes, the Ministry of Rural Development launched the National Rural Livelihood Mission (NRLM) in 2009, focusing on covering 50% of the rural households through the promotion of Self Help Groups (SHGs) for rural women. The NRLM's main programs are creation of access to financial assistance from commercial banks, skills building for enterprise development, networking with stakeholders and empowerment of the poor through negotiation process. Every State Government is expected to implement the Rural Livelihood Mission programme among the poor households through SHGs in rural India.

The Self Help Group (SHG) movement has its roots from more than two decades ago, and has become a viable and effective tool of poverty reduction in India. It is a strategic means for all government poverty alleviation programmes to address not only economic poverty but also social poverty. About 41 million poor women have been organized into 3.47 million SHGs, which have obtained access to more than USD 3 million in financial assistance.

During the last two decades, the SHG movement, as well as the cooperative movement, have been helped by favorable regulatory frameworks, legal policies and processes. Microfinance has also been supported by the government as a tool for poverty reduction.

INDONESIA

History and Profile of the Social Enterprise Sector

Although the roots of the social enterprise sector can be traced back to the Dutch colonialist period, the current movement of social entrepreneurship and social enterprise in Indonesia is relatively new. The terms themselves gained popularity only about five years ago. Microfinance institutions have perhaps been operating longer than any other type of SE as the microfinance movement in Indonesia has been flourishing since the 1980s.

Most of the social enterprises in Indonesia started as projects or activities pioneered by an NGO, donor institution, or by specific charity projects of large companies (in the form of Corporate Social Responsibility or CSR projects). There were also activities initiated by philanthropists and activists. There were also movements driven by religious motives, notably the aim to uphold the Islamic teaching to contribute a portion of income to charity in the form of *Zakat*[6] Fund.

[6] Zakat is compulsory charity under Islam as a form of wealth redistribution to fight poverty, based on a fixed rate per year. From "Integrating *zakat* and Islamic charities with microfinance initiative in the purpose of poverty alleviation in Indonesia" by Aimatul Yumna and Professor Matthew Clarke, presented in 8th International Conference on Islamic Economics and Finance. http://conference.qfis.edu.qa/app/media/222. Accessed on October 29, 2014.

There are no data on the number of social enterprises in Indonesia, the number of the clients of SEs nor the number of poor served by SEs. The respondents for the rapid appraisal could not give even rough estimates. However, there is agreement that the sector is growing and is getting more attention and appreciation from the public.

Projects or activities currently undertaken by social enterprises include finance (especially microfinance), recycling of waste products, health and sanitation improvement, alternative medication, women empowerment, household economy empowerment, and environmental campaigns.

Social enterprises that are linked to religious values have been developing rapidly in Indonesia. As the country with the largest Muslim population in the world, Indonesian economic growth has also led to the flourishing of Sharia based enterprises. For example, BMT, a leader in microfinance, is engaged in two main business areas as *Baitul Mal* (raising and distributing charity and donation) and *Baitul Tanwil* (loans and savings and real sector). BMT undertakes business through the profit sharing system in accordance with Islamic Sharia, which prohibits interest. The trend of Muslim women to wear hijab over the last decade also encourages small enterprises to produce the garments and accessories, since the market is growing significantly.

Indonesia has a number of well-known social enterprise and social entrepreneurship resource institutions. Bina Swadaya Foundation, founded in 1967, is one of the most prominent SEs in Indonesia. Starting with a microcredit program for small farmers and other poor people, Bina Swadaya now has a number of subsidiaries in many areas. It has organized millions of people in groups for household economic development (UPPKS). Bina Swadaya has developed into a self-funded organization through many profitable social enterprises. Another SE influential at the national level is Dompet Dhuafa (Wallet for the Poor), which has reached 17,000 people and has assets of 240 billion rupiah (around USD 18.5 million). ASHOKA, another well-known organization, "support(s) social entrepreneurs who are leading and collaborating with changemakers". It gives awards to Ashoka fellows annually.

The "*Asosiasi Kewirausahaan Sosial* Indonesia (AKSI)" or Indonesian Association for Social Enterprises was established in November 2009. The founders are 16 prominent figures in social entrepreneurship in Indonesia. This is a forum for sharing perspectives and experiences on the pursuit of social entrepreneurship in Indonesia.

<u>State of MDG1 and MDG3 accomplishments</u>

Goal 1: Eradicate Extreme Poverty and Hunger

UNDP Indonesia assesses that: "Poverty mitigation efforts in Indonesia have shown meaningful progress…as was demonstrated by the reduced proportion of people living under the national poverty line, i.e. from 15.10% (1990) to 11.66% (2012) even when the Poverty Depth Index went down from 2.70 to 2.08 during the same time period.…Additionally, a reduction was observed in the proportion of people suffering hunger between 1989 and 2010 as the prevalence of under-five children with low weight went down from 31% to 17.9%."[7]

[7] United Nations Development Programme. (n.d.-a). "Eradicate extreme hunger and poverty." Retrieved 11 October 2014, from http://www.id.undp.org/content/indonesia/en/home/mdgoverview/overview/mdg1/.

Indonesia's economy grew at around 6% per year during the last four years. However, in spite of the high economic growth, and despite the reduction of the poverty rate, unemployment and the double-digit poverty rate remain problematic. Unemployment rate is 6.25%; the unemployed mostly consist of youth and people in the rural areas.

The poverty rate translates to around 28 million people. Despite billions of dollars poured by the government into anti-poverty programs, the trend of poverty reduction is still slow. This suggests that the traditional economy needs alternatives to address problems associated with employment, that is, creating jobs which can eventually reduce the poverty rate. The structure of the Indonesian economy is said to be more than 50% reliant on the informal sector. Self-employment is high.

Goal 3: Promote Gender Equality and Empower Women
The UNDP assesses that efforts to promote gender equality and women's empowerment have largely been on track for MDGs achievement by 2015, especially in terms of enrollment and literacy. The literacy ratio of women to men in the 15-24 year age group reached 99.95% in 2011. An increase in contribution by females was also observed in the labor affairs sector, notably in wage employment in the non-agricultural sector, which reached 36.67% in 2011.[8]

Policy Environment

The social enterprise sector in Indonesia is actually growing without much intervention from the government. The social enterprise sector receives less attention from the government than the "creative industry", a sector that relates to new ideas and innovation that can be exploited to become high economic value industries that can create jobs. The creative industry has become a specific focus promoted by an official state ministry (Ministry of Tourism and Creative Industry) of the current government.

One factor that may explain the lack of attention and support from the government for the SE sector is that the government itself is running massive poverty alleviation programs nationwide. However, development actors perceive that these programs have made little impact in reducing poverty. All the respondents in the rapid appraisal believe that, instead of relying on government initiatives to strengthen the social enterprise sector, it is much better to keep the movement as the civil society's initiative. Some respondents believe that some government programs undermine efforts of social entrepreneurs. In particular, key respondents from the microfinance sector believe that the cash transfer program from the government will just create the mentality of dependence among the community.

Social enterprise is often not distinguishable from Micro, Small and Medium Enterprises (MSMEs) in the eyes of the public. Through various laws, the government of Indonesia provides for financial and other support to MSMEs. Law No. 20/2008 stipulates that the national and local governments should promote laws and regulations on financing, facilities and infrastructure, business information, and other institutional support. There are some articles in the Law that could refer to SEs. For instance, Article 3 states that the purpose of MSMEs is to develop enterprises and build national economy based on democratic economy

[8] United Nations Development Programme. (n.d.-b). Promote gender equality and empower women. Retrieved 11 October 2014, from http://www.id.undp.org/content/indonesia/en/home/mdgoverview/overview/mdg3/.

which has principles often called as “people’s economy”. Article 5 also refers to the social aspect of MSMEs which is to facilitate local development, job creation, income equality, economic growth and poverty alleviation. On the other hand, a policy that is seen as less supportive to the MSMEs is the *Peraturan Pemerintah* (government regulation) No.46/2013 that requires MSMEs to pay income tax at 1% flat rate for enterprises with annual earnings of less than 4.8 billion per fiscal year.

One of the most important policies is the one regarding cooperatives, which constitute a large part of social enterprises in Indonesia. The Indonesian Constitution (UUD 1945) Article 33.1 mandates the cooperative as the most suitable economic institution for Indonesia with a basic principle that is social and community-oriented. Recently, the Indonesian Constitutional Court cancelled Law No. 17/2012 concerning cooperatives, because it considered that such Law had violated the spirit of the Constitution and puts too much emphasis on material and financial capital rather than social capital as the basis of cooperatives in Indonesia[9]. The cancellation means that Indonesia reverts back to Law No.25 /1992 concerning cooperatives.

PHILIPPINES

There is as yet no comprehensive profile of social enterprises in the Philippines. In 2007, a seminal research and rapid appraisal (Dacanay, 2007)[10] placed the number of social enterprises in the country that were providing a variety of programs and services for the poor at around 30,000.

Over the years, different segments of SEPPS have become apparent, five (5) of which were identified in an earlier study (Dacanay, 2012) and validated by this research. These are cooperatives, microfinance institutions (MFIs), fair trade organizations (FTOs), trading development organizations (TRADOs) and new generation social enterprises (NewGen SEs).

- **Cooperatives.** As of end December 2013, registered cooperatives in the country totaled 23,672. Their total combined assets amounted to PHP 266.8 million (around USD 6 million), while cooperative members numbered 12,676,828 nationwide.[11] Not all of these cooperatives can be considered as organizations “of the poor” and “serving the poor”. An analysis of the data from the membership of VICTO Cooperative Development Center, a federation of cooperatives with a strong base in the Visayas, when they assessed the impact of Typhoon Yolanda (Haiyan) on their members, can perhaps give a rough indication of the percentage of cooperatives that serve the poor. Out of VICTO’s 38 member cooperatives affected by Haiyan, 18 or 47%, had the poor (farmers, fishers, vendors) as members. These accounted for 23,002 individuals out of a total of 64,213, or 36%. If we apply these percentages to the nationwide totals of cooperatives and their membership, this gives us a rough estimate of 11,126 SEPPS cooperatives serving around 4.56 million members.

[9] MK batalkan Undang-Undang tentang Perkoperasian. (2014, May 28). Retrieved 23 September 2014, from http://wberitaww.antaranews.com/berita/436287/mk-batalkan-undang-undang-tentang-perkoperasian (From Indonesia Country Report.).
[10] Dacanay, M.L.M. *A Profile of Social Enterprises in the Philippines. 2007.*
[11] Cooperative Development Authority. (2014). Presidential Communications Development and Strategic Planning Office. Retrieved 11 July 2014 from http://www.cda.gov.ph/index.php/resources/updates/statistics/264-statistics-as-of-december-31-2013 (From Philippines Country Report)

- **Microfinance Institutions (MFIs).** Most low-income households in the Philippines are engaged in microenterprises, which make up 91.6% of the country's industries. Of the country's workforce, 30% is employed by microenterprises. Microfinance therefore plays a significant role in providing access to much-needed capital to keep these microenterprises and small businesses going. Based on the latest study by the ADB, there were about 2,000 MFIs (including branches) and 200 banks with microfinance operations serving some seven million borrowers.[12] However, a local study using data from the BSP and the MixMarket placed the number of active borrowers at 3.6 million at the end of 2011. Of this number, clients of NGO MFIs made up about 69% while clients of banks with microfinance operations made up 29%. If we assume that it is the clients of NGO MFIs who would most likely be poor, this indicates that about 2.5 million poor are reached by the 2,000 MFIs that may be considered SEPPS.

- **Fair Trade Organizations** or FTOs are enterprises guided by fair trade principles. They provide better livelihoods and better quality of life for marginalized producers through partnerships with fair trade markets. They enable marginalized or small producers by establishing strategic partnerships with them as supplier communities, providing 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 a comprehensive WFTO Standard and Guarantee System based on 10 fair trade principles. In 2012, there were 32 fair trade organizations in the directory of WFTO-Philippines.

- **Trading development organizations** (TRADOs) are non-government development organizations (NGDOs) engaged in the production and/or trading/marketing of goods and/or provision of economic services (i.e. financial services, enterprise development services) to enable them to sustain their operations and to serve specific sectors of the poor. A subset of this group are the NGDO-owned/initiated social enterprises that were set up or initiated as commercial or trading arms of their parent NGDOs, and as such usually take the form of stock for profit corporations. This segment of SEPPS was identified in a previous (Dacanay 2012) research as sector or area-based enterprises serving specific poverty groups and NGO-initiated earned income enterprises. The number of TRADOs is difficult to ascertain but an informed estimate may be made with certain assumptions. In 2013, the number of non-stock, non-profit organizations registered with the Securities and Exchange Commission (SEC) numbered 10,000.[13] For sure, a substantive number of these are NGDOs, and a percentage of these NGDOs are TRADOs. In 2007, a study that profiled civil society organizations in the country estimated 3,000-5,000 NGDOs in the Philippines.[14] If we assume the higher estimate of 5,000 as the current number of NGDOs, this is equivalent to 50% of the non-stock, non-profit corporations registered with the SEC in 2013. If we further assume that 50% of these NGDOs are undertaking production, trading and/or other economic activities, with some establishing one or more subsidiary stock, for profit corporations as their social enterprise arms, the estimated TRADOs may be placed at 2,500.

[12] ADB. Assessment of microinsurance as emerging microfinance service for the poor: The case of the Philippines. Mandaluyong City, Philippines. 2013. P. 2. (From Philippines Country Report)
[13] Morales, N. (2013, August 17). Phl has 10,000 NGOs. Retrieved April 23, 2015, from http://www.philstar.com/headlines/2013/08/17/1100751/phl-has-10000-ngos.
[14] Asian Development Bank. (2007). Overview of NGOs and civil society: Philippines. Retrieved April 23, 2015, from http://www.adb.org/sites/default/files/publication/28972/csb-phi.pdf.

- **New-Gen SEs or "new-generation social enterprises"** are a rising segment of social enterprises established by young professionals or entrepreneurs with a social mission to help the poor. This is in contrast to the older generation of trading development organizations that are NGDO-initiated. There is not much literature yet on these SEs but among the more prominent ones are Rags2Riches, Hapinoy, and Gandang Kalikasan/Human Nature.These were referred to in the earlier Dacanay (2012) study as small entrepreneur-initiated enterprises with a clear social agenda. It is difficult to ascertain how many new-gen SEs exist but this is definitely a growing segment.

Social enterprises in the Philippines may also be classified in terms of levels of development. Three main groupings of social enterprises were discernible in the recently concluded APPRAISE RAY,[15] an action research and consultation project on social enterprises in the Haiyan or Yolanda-affected provinces.[16]

- Pre-social enterprises are organizations that are still in the formation stage or in the process of becoming SEs. These are not necessarily organizations that have been newly set-up. A number of them may have been in existence for a few years but may still be at a pre-commercial level of operations, and may not be clear on whether they are a social enterprise, although they may have a notion of helping the poor
- Developing SEs are institutions that have passed the formation phase and are looking to growing their operations and/or markets. They have achieved regular enterprise operations with a core number of employees and suppliers. However, while they may have a clear social agenda, they may still be in the process of evolving their social enterprise model.
- Established/mature/developed social enterprises are organizations that have reached a stage where their social mission is being achieved while also becoming financially viable, with a substantive part of their income generated from selling one or a combination of products and/or services. As such, they may be considered as having a clear social enterprise model.

There are also resource, support and development institutions that work at the local or national level to support the social enterprises in different ways: through the provision of financial services, business development services such as product development, marketing, distribution; and through capacity building programs focused on human development, community advocacy, social enterprise development, and local governance. At the national level, the prominent ones include the Foundation for a Sustainable Society, Inc. (FSSI) and the Peace and Equity Foundation (PEF).

Considering the aforementioned data on the various segments of SEPPS where informed estimates have been made, a more nuanced estimate of the number of SEPPS in the Philippines may be arrived at by this study: a total of 15,500 SEPPS with 11,000 cooperatives, 2,000 MFIs and 2,500 trading development organizations or TRADOs, FTOs and new generation social enterprises. This estimate may be interpreted as exclusive of pre-

[15]RAY or Reconstruction Assistance on Yolanda summarizes the government's main strategy for building back the economic and social situation of Typhoon Yolanda affected areas. APPRAISE RAY stands for Agenda and Platform for Poverty Reduction and Addressing Inequality through Social Enterprise to enhance Reconstruction Assistance on Yolanda. (Redacted footnote from Philippines Country Report)

[16]"Reconstruction Initiative through Social Enterprise: A Poverty Sector-Focused, Post Yolanda Response in the Philippines" Briefing Paper Output of APPRAISE RAY, action research project supported by Oxfam, Peace and Equity Foundation, FSSI, BPI Foundation and Ramon Aboitiz Foundation. ISEA. May 2014. (From Philippines Country Report)

social enterprises, which many of the delisted cooperatives registered with the CDA that was part of the 30,000 SEPPS estimated in 2007, may be a part of.

The focus group discussions and key informant interviews indicated several challenges facing SEPPS: sustainability, succession, weak staff/ members/ organizations, access to capital for growth and other financial resources, mission drift, and measuring social impact.

Major external challenges include climate change/ major weather disturbances, lack of peace and order, lack of infrastructure, competitive and changing markets, and lack of government support.

State of MDG1 and MDG3 Accomplishments

Goal 1: Eradicate Extreme Poverty and Hunger

According to the Philippines 5th Progress Report on the Millennium Development Goals (2014), the country is highly likely to achieve four of the MDGs. These are achieving universal primary education, promoting gender equality, reducing child mortality, and ensuring environmental sustainability. However, the country only has a medium probability of attaining targets on eradicating extreme poverty and hunger. The probability of improving maternal health and combating HIV/AIDS, malaria and other diseases is low.

The Report highlighted though that the high economic growth in recent years (growth of 7.3% in 2010 was the highest in over 30 years) came with increasing poverty and jobless growth. Growth also went hand in hand with rising inequalities. Currently, the incomes of the richest are 18 times those of the poorest. Poverty in the rural areas remains prevalent and persistent. Large numbers of Filipino households—about 56.9%—still remain poor, unable to meet their basic needs.[17] The country has also been rocked recently by major calamities – especially the destructive earthquake in October 2013 and Typhoon *Yolanda* in November 2013. NEDA estimated that the number of poor Filipinos that were added by these calamities was more than one million.[18]

Beyond these calamities, research studies point to other factors leading to the persistence of poverty (World Bank, 1995; ADB, 2009; Dacanay 2013). Foremost of these were policies biased toward “capital-intensive, inward-oriented development”, the failure to address the structural issues and to develop the agriculture, forestry, and fishery sectors, and the inadequate investment in human capital and effective delivery of basic services.[19]

Goal 3: Promote Gender Equality and Empower Women

Gender disparity in participation in secondary and tertiary education has actually been in favor of women. Women also have a slight edge over men in simple literacy rate (94.3 vs. 92.6%) and functional literacy rate (86.3 vs. 81.9%).

[17]Celia M. Reyes and Lani E. Valencia. “Poverty Reduction Strategy and Poverty Monitoring. Philippine Case Study.” Philippine Institute of Development Studies. http://siteresources.worldbank.org/INTPAME/Resources/Country-studies/ philippines_povmonitoring_casestudy.pdf. Accessed 26 June 2014. (From Philippines Country Report)
[18]NEDA. Reconstruction Assistance on Yolanda. 16 December 2013. p. 16. (From Philippines Country Report)
[19]Dacanay, MLM. 2013

The Philippine Government has added several concerns and targets in relation to gender. These include gender empowerment and other serious concerns like gender-based violence and trafficking.

The last decade saw an increase in the number of women in the labor force with 50% of all women working, compared to 80% of men. While women have a large presence in the growing informal economy, they have limited benefits and protection, such as social security and health care. Moreover, their economic contribution has been largely invisible. For instance, the number of women and men overseas Filipino workers (OFWs) have been almost equal. However, the average cash remittances of women are only 60% of that of men. This is indicative of the status of women OFWs in lesser skilled and often unprotected lower paying jobs. This renders women vulnerable to exploitation, trafficking and abuse.[20]

Policy Environment

NGOs and cooperatives engaged in microfinance activities are required to pay corporate income tax under Revenue Regulation No. 14-97. FTOs and even NGOs engaged in production and manufacture of goods could not sell these goods since they are by law non-profit. These enterprises resort to establishing a separate marketing arm to enable them to sell their products.

For the cooperative sector, the Cooperative Code of the Philippines or R.A. 6939 needs amending to enable the Cooperative Development Authority (CDA) to be more responsive to the needs of the sector. Proposed amendments pending in Congress deal with a reorganization of the CDA board, tighter qualifications for board members, mechanisms for selection of board members, revision of their terms of office, and mandates on accountability.

Since 1998, microfinance has been a key strategy of the government in poverty reduction with the promulgation of Republic Act 8425 or Social Reform and Poverty Alleviation Act. Like the cooperative sector, the MFIs, specifically socially driven MFIs, are faced with a host of challenges. On one hand, they are faced with the problem of sustainability and on the other, taxation issues with the government despite the sector's huge social contribution. Industry actors are pushing for a bill which will better support the microfinance NGO sector.

The paradox of unchanging poverty and worsening inequality despite economic growth, and the lack of a clear strategy on the part of the government to effectively address poverty and inequality in the rehabilitation of Yolanda-affected areas have provided the context for the setting up of two significant platforms in the Philippines:

- *Reconstruction Initiative through Social Enterprise* or RISE is "a multi-sectoral platform to support the development of a vibrant social enterprise sector to work on recovery, restoration, and rehabilitation focused on farmers, laborers, fishers, indigenous peoples, enterprising poor, persons with disabilities, and the women and children of these marginalized groups."[21]

[20]UNDP Philippines. http://www.ph.undp.org/content/philippines/en/home/mdgoverview/overview/mdg3/. Accessed Oct. 12, 2014.
[21]Reconstruction Initiative through Social Enterprise: A Poverty Sector-Focused, Post-Yolanda Response in the Philippines. Briefing Paper. (May 2014)

RISE has a four-point program:

- Promote innovative and gender-responsive program and project development efforts, resource matching, learning exchange and advocacy to make social enterprise development an important strategy to enhance Reconstruction Assistance on Yolanda.
- Engage government to provide an enabling policy environment and mechanisms for the growth of social enterprises.
- Draw the support of civil society, government and the business sector to make the poor and the marginalized major stakeholders in recovery and rehabilitation.
- Build back better with social enterprises as transformational partners of the poor, civil society, government and business in sustainable, inclusive and gender responsive economic development.

Eleven resource/support institutions, including ISEA and Oxfam, are leading the RISE platform.

- *Poverty Reduction through Social Entrepreneurship (*PRESENT*) Bill and Coalition*. Versions of this bill have been filed at the Senate and in the House of Representatives, both entitled "An Act Ordaining the Promotion of Social Enterprises to Alleviate Poverty, Establishing for the Purpose the Poverty Reduction through Social Entrepreneurship and Providing Incentives and Benefits Therefor". Planning and implementing a National Poverty Reduction through Social Entrepreneurship (PRESENT) Program is the key proposal of the two bills. Both support social enterprises as vehicles for poverty reduction and focus on SEPPS. They define features of an enabling environment and an ecosystem of support needed by SEPPS to flourish. The PRESENT Coalition that is lobbying for the bill's enactment is co-convened by the Ateneo School of Government and by FSSI. Ten other organizations, including ISEA, make up the Coalition's Steering Committee. Senator Paolo Benigno Aquino IV and Congressmen Teddy Baguilat/Cresente Paez are the champions of the bill in the upper and lower houses of Congress respectively.

The PRESENT Bill as Proposed by the PRESENT Coalition

The proposed legislative measure mandates the planning and implementation of a National Poverty Reduction Through Social Entrepreneurship (PRESENT) Program

The PRESENT Program is focused on the development of strategic economic subsectors with potentials for growth and where poverty groups are concentrated. The poor are expected to benefit the most from subsector development and growth through their effective participation as workers, suppliers, clients and/or owners of social enterprises and as partners in economic and social development. Substantive poverty reduction is envisioned as outcome.

The proposed law seeks to provide priority support and incentives to social enterprises with the poor as primary stakeholders in these strategic economic subsectors. Cognizant of the various legal forms that these organizations have taken – from cooperatives to non-stock, nonprofit corporations to stock for profit corporations, or a combination of these forms, the proposed Act provides for the qualification of these organizations as social enterprises to avail of support services and incentives from the state.

Support programs include:

- Provision of accessible non-collateralized loans to these social enterprises guaranteed by a pool of funds set up for such purpose;
- Setting up a comprehensive insurance system to reduce the vulnerability of these social enterprises to climate change and natural calamities;
- Provision of resources for comprehensive capacity development for these social enterprises, enablers of social enterprises and their partners among the poor;
- A proactive social enterprise market development program promoting the principles of fair trade;
- A research and development program involving strategic economic subsectors, appropriate social enterprise technologies and innovations in democratizing access to quality basic social services.
- Mainstreaming of social entrepreneurship in the educational system at all levels to ensure strategic human resource development.

Incentives for social enterprises with the poor as primary stakeholders shall include:

- Preferential treatment in government procurement including coverage of their performance bonds;
- Tax exemptions and tax breaks; and
- Cash incentives equivalent to at least 25% of the minimum wage for social enterprises employing persons with disability

Source: Dacanay, ML. (2013). Social Enterprises and the Poor: Transforming Wealth

Summary of Environment for SEs

Social enterprises in the four countries are working in a socio-economic climate where, despite economic growth and some progress in meeting MDG targets on poverty, there are still large numbers of the poor, especially in the rural areas. Underemployment and unemployment, and income inequality continue to be serious concerns. In varying degrees, women's participation in the economy, and women's comparatively lower returns from such participation remain critical issues.

Poverty and the lack of opportunities for employment in these four countries have created a phenomenon of forced migration. In 2013-2014, India, Bangladesh, the Philippines and Indonesia were all part of the top 15 countries in terms of number of migrants and in terms of remittances.[22]

As social enterprises aspire to address these concerns, the policy and regulatory climate relevant to SEs tend to revolve around the development of micro, small and medium enterprises (MSMEs), cooperatives (a relatively old and entrenched organizational form of SE in the four countries), or microfinance (a sector which has boomed in the last 2-3 decades). With regard to NGO-led enterprises, NGOs are either prohibited from directly engaging in business, or are required to reinvest profits in the enterprise, with none being distributed to shareholders/ investors.

The development of MSMEs, cooperatives and microfinance have been recognized in all 4 countries as contributing to poverty alleviation and economic growth, and they (especially the first two) have been supported in varying ways, e.g. in terms of technical support and access to financing. Taxation issues have, however, been raised in at least 3 of the 4 countries.

At present, there is no official recognition of the social enterprise sector in any of the 4 countries, nor of social entrepreneurship as a strategy for fighting poverty. Hence, there are as yet no policies/ laws that apply to those in the sector apart from those applicable to the above. As noted in the Indonesia study, "the social enterprise sector…..is growing without much intervention from the government. (It) receives less attention from the government than the "creative industry", a sector that relates to new ideas and innovation that can be exploited to become high economic value industries."

The most advanced initiative in getting the government to recognize and support social entrepreneurship is that of the Poverty Reduction through Social Entrepreneurship (PRESENT) Bill, which is now going through the legislative mill in the Philippine Congress. As noted, the PRESENT Bill underscores the importance of social enterprises as vehicles for poverty reduction. The Bill emphasizes the unique, hybrid nature of social enterprises, and thus the need for an enabling environment and support distinct from that extended to MSMEs, specialized forms of SEs (i.e. cooperatives, MFIs), or NGOs.

[22] World Bank. (2015). "Bilateral_Migration_Matrix_2013.xlsx". In "Migration & Remittances Data". Retrieved through http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROSPECTS/0,,contentMDK:22759429~pagePK:64165401~piPK:64165026~theSitePK:476883,00.html (Migration Data – Bilateral Migration Matrix 2013 link) and
World Bank. (2015). "RemittanceData_Inflows_Apr2015.xls". In "Migration & Remittances Data". Retrieved through http://econ.worldbank.org/WBSITE/EXTERNAL/EXTDEC/EXTDECPROSPECTS/0,,contentMDK:22759429~pagePK:64165401~piPK:64165026~theSitePK:476883,00.html (Remittances Data; Annual Remittances Data – Inflows link)

SURVEY FINDINGS

Profile of Social Enterprises Surveyed

The survey covered social enterprises (SEs) serving and/or working with the poor, which may be considered as Social Enterprises with the Poor as Primary Stakeholders (SEPPS). The primary survey covered 167 enterprises: 60 in Bangladesh, 16 in India, 59 in Indonesia, and 32 in the Philippines. Table 1 lists some basic data on the enterprises covered in the country samples.[23]

Table 1: Profile of Social Enterprises Surveyed

	Bangladesh	**India**	**Indonesia**	**Philippines**
Total SE Respondents	**60**	**16**	**59**	**32**
Breadth of sample	Mainly enterprises involved in ethical trade, mostly in the handicraft and non-food manufacturing subsector.	6 Trusts (women self-help group federations), 2 MFIs, 2 cooperatives, 4 non-profit organizations, 2 stock, for-profit corporations. Mainly from South India with 1 each from West and North India.	22 MFIs, 16 people empowerment institutions, 14 environmental based SEs; 8 cultural, trading, health-based products enterprises and multi-purpose cooperatives. Mainly from Greater Jakarta and Bandung City, so exhibit urban/ peri-urban character.	9 cooperatives, 9 trading development organizations, 6 MFIs, 6 fair trade organizations, 2 new generation social enterprises. Spread across 3 main island groups (Luzon, Visayas, Mindanao)
Main products	Non-food manufactured goods (e.g. handicraft): 48% Agri-food (raw or semi-processed: 15% Others: 13%	Services (e.g. finance) or miscellaneous goods: 44% Agri-food (raw or semi-processed): 37.5% Non-food manufactured goods: 19%	Non-food manufactured goods: 48% Services (e.g. credit) or miscellaneous goods: 37.5%	Non-food manufactured goods : 31% Services/ Others (e.g. credit): 25% Agri-food (raw or semi-processed): 22%
Markets	Local, national, export	Local, national	Predominantly local, then national market. Only a few sell to export markets.	Local, national, export
Years in existence	From less than 5 years (only 2	From 5 to 15 years, median is 13 years	34% have existed for less than 5	From 2 to 47 years, average of 14

[23] Unless otherwise indicated, percentages presented in this and succeeding tables are the number of SEs giving the response over the total number of respondents for the country survey. Many questions can have multiple responses, hence for such questions, the total percentages would not add up to 100%. For most data items, only the top responses are shown.

	Bangladesh	India	Indonesia	Philippines
	SEs) to more than 35 years. Median is within 15 to 25 years. One-third have been in existence for 25 years or more.		years. Median age of enterprise is within 5 to 10 years.	years, with the median at 10 to 20 years
Legal form	82% non-stock, non-profit; 10% are partnerships/single proprietorships; 8% other forms. Only one cooperative. No stock corporations in sample.	75% are non-stock, non-profit corporations, associations or foundations; 12.5% cooperatives; 12.5% stock, for-profit corporations	39% non-stock, non-profit; 34% cooperatives; 25% partnership/ single proprietorship.1 stock corporation	50% are non-stock, non-profit corporations; 22% cooperatives; 16% stock corporations
Organizational complexity	60% are single organizations with no branches.	56% are single organizations; 44% are federations	66% are at the level of single organization with no branches.	25% are multi-organization/ network enterprises, 41% are single organizations with branches/ chapters.
Asset Size[24] Micro - Up to USD 70,000 Small - USD 70,001 to USD 350,000 Medium - USD 350,001 to USD 2.4 million Large - Above USD 2.4 million	Enterprises range from micro to medium; the median is **small**-scale.	Enterprises range from micro to large; median is **micro**-scale.	Median is **micro**-scale.	Enterprises range from micro to large; median is **medium**-scale.

[24] To facilitate comparison, surveyed SEPPS were grouped in terms of enterprise scale according to MSME classifications in the Philippines pertaining to asset size.

	Bangladesh	India	Indonesia	Philippines
Developmental stage of SE (as assessed by the CEO). Indicative levels of development: • Still evolving/ emergent • Conceptually clear and in process of implementation • Developed and stable • Developed and undergoing continuous innovation	74% of the SEs consider themselves as "still evolving/ emergent"	87% of the SEs consider themselves as "developed and undergoing continuous innovation"	71% of the SEs consider themselves as "still evolving/ emergent"	62% of the SEs are beyond the "still evolving/ emergent" stage including 56% that characterize themselves as "developed and undergoing continuous innovation"

The Bangladesh sample, consisting mainly of SEs in the ethical trade sector, offers an interesting profile. The median age of enterprises is within 15 to 25 years. One-third have existed for more than 25 years, having been organized as far back as the 1970s/1980s. In terms of organizational complexity though, the most common is still the "single organization, no branches" form. In terms of asset size, the median (for the 49% which provided data) is small-scale. Finally, a substantial percentage – at 74% - considers themselves still at the "evolving/ emergent" stage as SEs.

In contrast to the samples in the other 3 countries, the SEs captured in the Indonesia survey are relatively young, with a median age within 5 to 10 years, with around one-third having existed for less than 5 years. This is consistent with the profile of the sample in terms of legal form (with 25% still with the basic partnership/sole proprietorship set-up), organizational complexity (66% are single organizations with no branches), and asset size (median in the micro-scale range of USD 70,000 or less). As noted by the Indonesia country research team, 27% of the respondents actually could not explain clearly what their social enterprise type was. Based on the CEOs' assessment of their SEs' stage, 71% (42 of 59) of the SEs are "still evolving/ emergent" and only 29% are beyond this stage.

The Philippine sample can be considered to be the most advanced group as far as development level of SEs is concerned. For one, 62% (20 of 32) consider themselves to be in various stages of development, from having a clear SE concept that is being implemented, to a state of being developed and undergoing continued innovation. The median for asset size is in the medium-scale range, and 66% have either "multi-organizational/ network" or "single organization with branches" forms. In terms of age, the median is within the 10 to less than 20 years range.

The 16 SEs captured in the India sample also constitute an advanced group in terms of level of development of the SEs, at least from the perspective of their respective CEOs . Although most of the SEs are micro-scale in terms of assets, a large majority consider themselves as "developed and undergoing continuous innovation" (87% or 14 out of 16); one SE considers itself as developed and stable. Six of the 16 are women self-help group (SHG) federations doing community banking. The others are microfinance institutions, cooperative societies and not-for-profit organizations. The SEs have been in existence for 5 to 15 years, with a median age of 13 years.

Keeping these profiles in mind, the country samples could offer insights on SEPPS at various levels of development: with some nuancing, trends emanating from the Bangladesh and Indonesia samples may be considered as sources of insights on evolving SEPPS, while trends emanating from the Philippine and India samples may be considered as sources of insights on developed SEPPS.

Table 2 presents a profile of the CEOs of the surveyed SEPPs. Comparing the length of service/ age profile of the CEOs with the years of existence of the SEs, it can be noted that many of the current leaders have been there for most, if not all, of the SE's existence – a trend that may indicate succession issues. This is most apparent for the Philippines and Bangladesh. This can also be seen in the profile of the Indonesian CEOs, but, consistent with the "younger" profile of the Indonesian SEs, the Indonesian CEOs also profile younger. The trend is less observed among the SEs in India, where the median length of service of the CEOs is only five and a half years, compared to the median SE age of 13 years. Although the trend for the other countries was also observed among some SEs surveyed in India, this was offset by the policy among a number of microfinance SEs of rotating the leadership every 3 to 5 years. The median age of the CEOs in India is similar to Indonesia's.

The CEOs tend to have at least a college degree; many have graduate studies.
On gender, the Philippine sample exhibits the greatest balance, with a 52:48 female-to-male ratio. The CEOs of the SEPPS respondents in the 3 other countries were more predominantly male with the female to male ratio at 42:58 for Bangladesh; 38.62 for Indonesia and 31:69 for India.

Table 2: CEO Profile

Profile of CEO respondents	**Bangladesh** **N =60**	**India** **N = 16**	**Indonesia** **N = 45. N/D: 14**	**Philippines** **N = 32**
No of Years engaged in SE	72% of CEOs have been with the SE for more than 12 years	44% have less than 5 years of experience in the SE. Median is 5.5 years.	Median is around 9 years.	5 to less than 15 years: 47%; 15 years and above: 41%
Age	Median is in 46-55 years age range.	Median is in 38 – 41 years age range.	Median is in 36-45 years age range.	Median is in 51-60 years age range.
Gender	42% female; 58% male	31% female; 69% males	38% female; 62% male	52% female; 48% male
Highest educational attainment	73% have masteral units, master's degree or PhD.	100% have college (69%) or master's degree (31%)	71% have college degree, diploma course degree or	88% are college graduates, including 47% with masteral

Profile of CEO respondents	**Bangladesh N =60**	**India N = 16**	**Indonesia N = 45. N/D: 14**	**Philippines N = 32**
			master's degree.	units or graduate degrees.

SEPPS Vision, Mission and Goals

The vision and mission of the surveyed SEs revolved around common themes, although many in Bangladesh had no clearly written vision and mission statements. Still, women empowerment is a strong theme among Bangladesh NGOs and many SEs were organized specifically to help women.

Common themes among SEs in Indonesia, the Philippines and India, along with some Bangladesh NGOs, were poverty alleviation, economic development, income generation, social inclusion, empowerment of women and gender equality.

Mission statements, when present, revolved around the above themes, with some specifying the SE's role as an agent for local economic development, sustainable development, socio-economic improvement or specifically enterprise development, and as a provider of socio-economic and financial services.

In terms of goals, the most-mentioned aspect (cited by 25% of respondents) among Philippine SEs had to do with capacity-building – of member organizations, staff, workers, members – underscoring the aim of not only providing direct services to the poor (e.g. financial) or involving the poor in production, but also of building individual and group capacities for sustained participation in the enterprise/ economy/ sector or community. The two other most-mentioned aspects were outreach and financial sustainability. As a whole, these are consistent with the multiple bottom-line nature of SEs and, more specifically, SEPPS.

Goals of Indian SEs revolved around livelihood generation and other forms of economic development of the organizations/ members and building women leadership and governance. Some also touched on the development of the sector, e.g. agriculture.

Bangladesh SEs' objectives tend to be framed around poverty sectors (poor, IPs, women, rural communities) as targets. Indonesian SEs mentioned providing access to capital to their target groups, improved community well-being, and environment-related objectives. A large number of Indonesian SEs though, expressed that they need to develop specific targets related to: organizational development (80% of SEs), number of members (50%), quality of members (47%) and product development (17%). Only 10% of the Indonesian SEs saw the development of targets on women empowerment as a priority.

Annex B shows highlights of the Vision-Mission-Goals of respondents, along with samples of vision and mission statements.

Engagement with the Poor

The surveyed SEs engage the poor as clients for goods and services (e.g. microfinance), as workers in the enterprise, as suppliers in the value chain, and – among more developed SEs – as partners in the social enterprise system and in community/sectoral development.

As shown in Table 1, almost half of the SEPPS surveyed in Bangladesh and Indonesia, and around 30% of those in the Philippines, produce non-food manufactured goods like handicraft items. In these enterprises, the poor are involved mainly as workers and suppliers.

The other significant segment in terms of SE products is the “Services/ Others” segment. This is the top segment for India SEs surveyed, and the second most significant segment for the Philippines and Indonesia. This segment includes credit/ financing services, where the poor are major clients. (This segment is hardly represented in the Bangladesh sample due to the country research team’s decision to highlight non-MFI SEs.)

Agri-food (raw or semi-processed) and processed food (where the poor are suppliers and workers, and – in some cases - markets) are products of significant percentages of the surveyed SEs. Agricultural non-food products are produced by a very small segment of the respondents across countries.

Table 3 lists highlights of the SEs’ engagement with the poor. As can be seen from the list, the SEs in the Philippines and Bangladesh have reached millions of poor. In the Philippines, more than 90% of the approximately 2.5 million reached are clients of the big MFIs, CARD and ASKI. In the Bangladesh sample, the poor are involved mainly as workers and suppliers for the SEs. It is estimated that around 7 million have been reached via trainings and organizing to equip them and build their capacities for participation in the enterprises/ value chains.

The SEs covered in India had an aggregate outreach of almost half a million. Given that the sample consists of only 16 SEs, the average outreach is 30,000, likewise a significant number. The SEs included in the India sample work mainly with women, both among the enterprising poor and the agricultural workers/ farmers sector. The India sample also introduces a new segment – adolescent girls who are beneficiaries of the anemia control programs of a number of SEs.

In Indonesia, only around half of the SEs provided information on this aspect. The responding SEs involve around 20,000 of the poor as workers.

Table 3: SE Engagement with the Poor: Segments and Outreach

	Bangladesh	**India**	**Indonesia**	**Philippines**
Total SEs	**60**	**16**	**59**	**32**
Segments of the poor served/ Poverty sectors engaged in SEPPS	Enterprising poor: 53% Agricultural workers: 33% IP: 20% Farmers: 28% *SEs work mainly with women in aforementioned sectors	Enterprising poor: 24% (of which 78% are women) IP: 20% Agricultural workers and farmers: 2% Others including adolescent girls: 54%	Local poor in urban, peri-urban communities Agricultural workers	Enterprising poor: 37.5% Women (various sectors): 34% Farmers: 31% Agricultural workers: 19% Unemployed, underemployed: 19%
Outreach	Estimated number of clients for	Total number of clients: 483,381;	Only 49% answered.	Clients: Combined

	Bangladesh	India	Indonesia	Philippines
	trainings, organizing and coop formation: around 7 million Except for a few, SEs do not maintain lists of workers, suppliers or even clients. Aarong, one of the largest SEs, claims to employ around 35,000 workers and suppliers. For the rest, two common workforce sizes were 200-1000 and 2000-3000 approximately.	93% women	Of those reporting: "Local (poor) people" as workers – 12,749. Agricultural workers: 8,892 (93% women)	outreach among poor of more than 2.5 million. More than 90% of these are "enterprising poor" clients of major MFIs. Others: agricultural workers (54,960) and farmers (42,512). Workers: Total 23,758. Enterprising poor (72%), Farmers (14%), IP (11%)

The CEOs were asked to specify the main social issues that concern their SEs (please see Table 4). All the CEO respondents in the Philippines cited variations on poor quality of life and income/ livelihood/ employment among their target sectors as major social concerns. Social exclusion of specific sectors, including women, was the next most-mentioned, albeit as a distant second. In Bangladesh, disadvancement of women was the top response, followed by poverty and unemployment. The SEs in India likewise had poverty reduction and women empowerment as their main concerns. The social concerns of the Indonesian SEs, as reflected in their VMG statements, include social exclusion and lack of access to financing among small enterprises and the poor.

The "solutions" employed by the SEs include financing and related services (e.g. microcredit, savings and capital build-up programs), employment in the social enterprise, micro/small enterprise development among the poor, and provision of basic social services.

In conjunction with the above, there is a very heavy emphasis on capacity-building (ranging from skills training related to the enterprise, to helping in organizational development) across all countries. This is a major aspect that distinguishes social enterprises, especially SEPPS, from traditional business enterprises that produce the same types of products and services.

There are, however, nuances in the direction and emphasis of the capacity-building done by the surveyed SEPPS. For example, 38% of the SEPPS in the Philippines put strong emphasis on the development of partner people's organizations (not shown in table), including organizing outside the core enterprise system, such as community organizations. This is a concern for only 8% of the surveyed SEPPS in Bangladesh and 10% of those in Indonesia. For the India SEPPS, this concern was mentioned by 19% of the SE respondents, but it can be inferred that at least one-third (the federations) put emphasis on the development of people's organizations. These nuances are assessed more deeply in the later section on SEPPS' services to the poor and the community.

Table 4: Social Issues Addressed, Solutions and Main Services to the Poor

	Bangladesh	India	Indonesia	Philippines
Total SEs Surveyed	**60**	**16**	**59**	**32**
Social issues	Disadvancement of women: 42% Poverty: 32% Unemployment: 17%	Poverty reduction Women empowerment	Social exclusion Lack of access to financing	Poor quality of life (low income/ unemployment/ underemployment/ insufficient source of livelihood/ low productivity): 100% Social exclusion (includes marginalization of women, and low cultural recognition of IP groups): 19%
Social innovations or solutions to address social problems	Capacity-building: 33% Microcredit: 25% Employment: 22%	Credit and livelihood financing: 37.5% Farmers development, building market channels, reducing middlemen issues: 19% Skills upgrading for artisans: 12.5%	Facilitation of micro-enterprises: 38% Production of creative products from waste: 36% Savings and capital services for community: 22%	Financing and related services: 40% Organization/enterprise development support: 40% Financial literacy, vocational skills training, values formation, etc.: 25%
Main services	Training/ capacity-building/ skills development: 78% Basic social services (education, health): 48% Financial services: 42% Product development and marketing: 35%	Training/ capacity-building/ skills development: 100% Financial services: 75% Product development and marketing: 56% Basic social services: 56% Provision of new appropriate technology: 38%	Training/ capacity-building/ skills development: 56% Financial services: 42% Basic social services (education, health): 22% Product development and marketing: 17%	Training/ capacity-building/ skills development: 69% Financial services: 59% Product development and marketing: 53% Provision of new appropriate technology: 44% Community services: 37.5% Basic social services: 37.5%

Financial Profile

A substantial percentage of SEs surveyed (around 25% to 50%, depending on the question) did not provide financial data. Nonetheless, some observations can be made from the available data, highlights of which are listed in Table 5.

Table 5: Financial Highlights

	Bangladesh	India	Indonesia	Philippines
Total SEs Surveyed	**60**	**16**	**59**	**32**
Asset Size Micro - Up to USD 70,000 Small - USD 70,001 to USD 350,000 Medium - USD 350,001 to USD 2.4 million Large - Above USD 2.4 million	Of those reporting, asset size ranges from micro to medium; the median is **small**-scale.	Enterprises range from micro to large; median is **micro-**scale**.**	Of those reporting, median is **micro**-scale.	Enterprises range from micro to large; median is **medium**-scale.
Capital Outlay at setting-up	Median for those who answered: within the USD 100,000 to 150,000 range (**small**)	62.5% started at around USD 40,000 (**micro** scale) 25% started at around USD 75,000 (small) 12.5% (2 SEs) started at medium scale	Almost 70% started with less than 5000 USD. Median range was within USD 1,000 to 5,000. (**micro**)	50% started with USD 70,000 or less (**micro** using current classifications) 13% had USD 70,001 to USD 350,000 (small) One had a capital outlay above 350,000 (large)
Sources of capital at setting up (Figures refer to% of SEPPS surveyed)	Personal investments of founder/owner: 57% Grants from development agency/ social investor: 28% Public grant: 8%	Grants from development agency/ social investor: 62.5% Institutional funds of organization setting up SE: 12.5% Loans: 12.5% Personal investments of funder/ owner: 6.25% Equity from individual/ social investor: 6.25%	Personal investments of founder/owner: 56% Grant from development agency/ social investor:15% Institutional funds of organization setting up SE: 8.5%	Personal investments of founder/owner: 34% Grant from development agency/ social investor: 16% Institutional funds of organization setting up SE: 14% (Note: but large total amount)
Annual Revenues/ Budget (2008-2012)	From sales: One respondent at USD 1 to 1.3 million range; the rest range from less than USD 70,000 (bulk of respondents) to USD 600,000 Two SEs reported total	81% have annual revenues/ budget less than USD 70,000. Highest revenue (1 SE) is within USD 12 to 24 million range.	Highest revenue (1 SE) is in USD 2.4 to 7 million range. 44% had revenue of USD 70,000 or less.	Range: from less than USD 70,000 to more than USD 24 million (2 SEs at more than USD 24 million) Median: between USD 350,000 to USD 2.4 million

	Bangladesh	India	Indonesia	Philippines
	annual budgets of above USD 24 million			
Sources of financing for operational costs, 2008-2012 (Figures refer to% of SEPPS surveyed)	Profit/surplus/ revenue: 68% Private grants: 43% Personal/ institutional investment of funders/ owners: 10% Loans: 8% Equity from institutional/ individual social investors: 3% Public grants: 3%	Profit/ surplus/ revenue: 81%	Profit Public grants Loans	Profit/surplus/ revenue:56% Loans: 9% Personal/ institutional investment of funders/ owners: 3%

Sources of Capital at Setting-Up. While the most common source of capital at setting up for the SE respondents in Bangladesh, Indonesia and the Philippines was the personal investment of the founder/ owner (ranging from 34-57%), majority of the SEs surveyed in India (a high of 62.5%) accessed their initial capital via grants from a development agency or social investor. Grants from development agencies or social investors, however. were still significant sources at 15-28% among SE respondents in the 3 other countries. Interestingly, the only SEs that reported using public grants as initial capital were from Bangladesh (a low of 8%); and the only ones reporting using loans as initial capital were from India (12.5%). Institutional funds of organizations setting up the SEs were reported as sources of initial capital by 8.5-14% of SE respondents from India, Indonesia and the Philippines.

Asset Size. As introduced in Table 1, the median asset size for SE respondents in the Philippines is within the medium-scale range, that for Bangladesh is small-scale, and for Indonesia and India, micro-scale. Despite this variation in median size, respondents that are large enterprises with more than USD 2.4 million in assets are found in all 4 countries. There are at least 4 each in the Philippine and Bangladesh samples, one in Indonesia, and 2 in India. SEPPS respondents with this asset size vary and include microfinance institutions like CARD MRI (Philippines) and Mitra Bisnis Keluarga (Indonesia), exporters of handicraft like Aarong (Bangladesh), and large cooperatives like the Mulukanoor Women Cooperative Dairy (India) and Omaganhan Farmers Agrarian Reform Cooperative (Philippines) .

Compared to the range and median of the initial capital outlay (as a proxy for asset size)[25], it can be inferred that a number of social enterprises have grown significantly since inception. This is particularly apparent in the profile of the Philippine SE respondents, where the median size at establishment was at the micro scale, compared to the current median at medium scale.

[25]And with the caveats that value of money and definitions of enterprise scale have changed across the decades since establishment of some of the SEs.

Some examples of SEPPS that have exhibited dramatic growth in terms of assets are shown in the table below:

Example of SEPPS from survey	Assets or Capital Outlay at Establishment (Approximate Value)	Asset Base by 2012 (Approximate Value)
Mulukanoor Women Cooperative Dairy (India), a cooperative federation engaged in the production and trading of milk products	USD517,187 (2002)	USD1.56-7.8 million
CARD MRI (Philippines), a microfinance and social development institution	USD 20,000 (1986)	USD 250 million (as of June 2014)
Mitra Bisnis Keluarga (Indonesia), a microfinance institution	USD 900,000 (2003)	USD 24 million
Bote Central (Philippines), a fair trade organization in the coffee subsector (Philippines)	USD 35,000 (2002)	USD 250,000

Revenue. The potential of SEPPS as significant players in the economy can be inferred from the revenue figures provided by some SEs. For the Philippine sample, the median for those who provided data is in the USD 350,000 to USD 2.4 million range, which is significant performance for MSMEs in the Philippines. Two SEPPS realized revenues in 2012 of more than USD 24 million.

In India, two respondents reported revenues of more than USD 2.4 million at least once during the period from 2008 to 2012.

For the Bangladesh sample, although most of those reporting had less than USD 200,000 in annual revenues in the period from 2008 to 2012, at least one respondent reported an annual revenue of more than USD 1 million.

Financing of Operational Costs. Majority of the SE respondents finance their operational costs from internally-generated funds – profits/surplus/revenue. A few Philippine SEs mentioned loans and additional investments by funders/owners as sources of financing.

Notable about the Bangladesh data on annual revenue/ budget (as seen in Table 5), is that 2 SEs reported annual budgets much higher than their annual revenue. Among the Bangladeshi SEs, private grants play a significant role in providing funds for operational costs. The country report for Bangladesh discusses this in detail:

> Only 3 SEs (5%) had 100% of their resources from profit or revenue in last 5 years, another 3 SEs (5%) made more than half of resources from profit or revenue. 23 (38%) acquired less than 50% of resources from profit or revenue. 52 SEs (87%) received grants. 6 SEs (10%) got all resources from private grants. 21 SEs got more than 50% of their resource from private grants…….Larger SEs are running from internally-generated funds. Smaller SEs run by NGO sometimes are not making significant profits and continue to be subsidized. Private SEs that are surviving do it from profit.

It is worth noting that clients of the surveyed SEs in Bangladesh do not pay for capacity-building. Financing comes from other projects (mentioned by 29% of SEs), the SE itself (23%), donors (10% of SEs), and other clients, e.g. corporations (4%).

Detailed data on how the services of the SE respondents were financed s, though, as with all other financial information, were very limited, particularly among the Indonesian and Indian SEs. Among the Philippine SEs, only 40% (13 of 32) provided data on financing of services. Of these, 3 charge the clients for some training/ capacity-building activities, 14 charge for financial services (which is the product per se of the surveyed MFIs and some other SEs), 6 charge for product development and marketing, 7 for provision of new, appropriate technology, 2 for community services, 2 for basic social services, and 6 for other services.

An assessment point from the Bangladesh survey (which may be in part due to the largely "evolving SE" nature of the sample) reflects the continued challenge for SEPPS in balancing enterprise and social objectives:

> It was observed during the study that there is a tension between maintaining financial gain of the business and ensuring social benefit. And many of the SEs are often caught between these sometimes conflicting interests and slipping away from their social objectives.

Participation of the Poor in Governance and Management

Aside from their roles as clients, workers and suppliers to the SEs, the survey also sought to look at how the poor are involved in the governance and management of the SEPPs. Table 6 summarizes responses to two questions: on participation of the poor in the planning process and on representation of the poor in the governance and management of SEPPs. The poor appear to be most represented, and play the most active role in governance/ management, in the Indian and Philippine SEPPS. Eighty-one percent of the surveyed SEs in India claimed to involve the poor in planning processes.

In Bangladesh, the poor are represented in the boards of 15% of the SEs. However, SE CEOs noted that such participation tends to be largely symbolic, and the poor "cannot play any effective role in decision-making".

Table 6: Participation of the Poor in Planning and Governance/ Management of the SEPPS

	Bangladesh	India	Indonesia	Philippines
Participation of the Poor in Planning Processes	Only 18% said that the poor participate in the planning process.	81% involve the poor in the planning process via: • Planning workshops/ General Assembly • Representation in governance • Regular meetings/ consultations	30% have the poor participate in the planning process (specifically, Sharia-based MFIs, cooperatives) SEs are in evolving state; the planning process is not yet something that the organizations conduct systematically	38% involve the poor in the planning process. The poor are involved though: • Planning workshops/ General Assembly • Representation in governance • Feedback in program development process • Members/staff coming from grassroots • Regular meetings/ consultations
Representation of the Poor in Governance/ Management of SEPPs	Poor (mostly women) are represented in governance of 15% of enterprises via membership in boards. No evident representation of poor in management.	No details provided	No data	Poor are represented in the governance/management structure of 37.5% of SEPPS respondents

SEPPS' Services for the Poor and the Sector/ Community

In examining the services provided by the SEPPS to the poor and the sector/ community, the research asked the SEPPS to assess what their top contributions to the poor are, and to describe the programs/services that helped the poor in various impact areas: 1) becoming effective workers, suppliers and/or clients, 2) building/ improving their capacities for self-governance, 3) increasing/ improving their asset base, 4) improving their quality of life, 5) contributing to women's empowerment, 6) moving them out of poverty, and 7) contributing to the development of their community.

The level of detail in the responses to these questions varied greatly by country. Table 7 shows a bird's eye view of the perceived contributions and the assessment of services in relation to the impact areas listed above. Notably, less than 20% of the surveyed SEPPS in Indonesia gave an answer to the question on their top contribution to the poor. This could be because most of the respondents in the Indonesia survey are still evolving SEPPS.

The information gathered on the SEPPS' contributions to the poor and the services that they provide can give insights not only on the nature of the SEPPS per country. They also provide insights on the contributions/ services provided by SEPPS at different stages of development: evolving SEPPS (that may be gleaned from the trends in responses from the Bangladesh and Indonesia samples) and developed SEPPS (that may be gleaned from the trends in responses in the Philippine and Indian samples).

Interestingly, as shown in Table 7, "enabling the poor to contribute to community development" was identified as an impact area only by Philippine and Indian SEPPS respondents, which represent the segment of developed SEPPS. Similarly, none of the Bangladesh SEPPS indicated services to "improve the poor's capacity for self-governance", which is consistent with their being in the segment of evolving SEPPS. However, 15% of Indonesian respondents indicated services to "improve the poor's capacity for self-governance" as a concern. A plausible explanation may be the presence of the Sharia-based cooperatives in the sample.

Table 7: Objectives of Services for the Poor

	Bangladesh	India	Indonesia	Philippines
Top Contributions of SEPPS to the Poor	• Income generation (45%) • Job creation (15%) • Empowerment (8%)	• Social and economic empowerment of women, poor and rural artisans (100%) • Capacity building (68.75%) • Business development support (50%) • Financial services (37.5%)	83% - No answer • Savings mobilization (8%) • Craft-making skills (5%) • Knowledge and skills in community management (2%)	• Empowerment of the poor/ Women empowerment (53%) • Financial services (44%) • Capacity-building (41%) • Business development support (34%)
Specific services for:				
Enabling the poor as effective workers/ suppliers	✓	✓	✓	✓
Improving poor's capacity for self-governance		✓	✓	✓
Empowering women	✓	✓	✓	✓
Improving the poor's asset base	✓	✓	✓	✓
Improving the poor's quality of life (basic needs)	✓	✓	✓	✓

	Bangladesh	India	Indonesia	Philippines
Enabling the poor to contribute to community development		✓		✓

The differences in strategies and services between the still evolving SEPPS in Bangladesh and Indonesia, and the more developed SEPPS in India and the Philippines are made more apparent when looking at the details of the services provided.

Although the thrusts for the improvement of the economic situation of women and their families are apparent in the services provided by Bangladesh SEPPS, the answers by the respondents tended towards two impact areas: 35% of the SEs believe that they have been instrumental in developing their partner poor as effective workers/suppliers/clients, while 22% believe that they have helped increase/ improve the poor's asset base. The main intervention of the Bangladeshi SEs is via training and skills development (78% of SEs surveyed), the provision of financial services (42%) and product development and marketing (35%).

In the case of Indonesia, the question on the top contribution of the SE to the poor generated very few responses. Those who replied mentioned savings mobilization, and building the poor's skills in craft-making and in community management as major contributions.

Of the surveyed SEs in Indonesia, 42% believe that they are contributing to women empowerment, 25% assist the poor to become effective workers/suppliers/ clients, 19% are helping the poor improve their asset base, 15% are helping improve quality of life, move people out of poverty, and improve self-governance, and 8% state that they are contributing to community development. To help the poor *become more effective workers, suppliers and/or clients*, the SEs provide financing, training and coaching, product development, marketing support, and production support. The focus for *improving the poor's capacity for self-governance* is on organizational/ cooperative development, as seen from the main services provided: financial management, organizing/ cooperative formation, leadership training, development and business planning, strategic planning, and policy advocacy support. Towards *improving the poor's asset base*, the SEs develop groups of borrowers and savers, help in planning and financing of group investments, conduct training, and encourage savings and capital build-up.

It is noteworthy that the Indian and Philippine SEPPS respondents provided more details on services in line with the different impact areas. This can indicate their application of nuanced intervention strategies, and a sharpened understanding of how their strategies/ services can lead to certain outcomes among the poor. These can be considered consistent with what can be expected of developed SEPPS.

The responses of the Indian and Philippine SEPPS are listed in Table 8 (all percentages use the number of SEs surveyed in the country as denominator). The higher percentage of developed SEPPS in the Indian sample, as well as the types of enterprises represented (62.5% are self-help group federations, cooperatives and MFIs compared to 47% for the Philippines) could account for the relatively stronger emphasis among Indian SEPPS on training and extension of other services across impact areas. For example, 100% of the

Indian SEPPS respondents claim to provide training for the partner poor not only to enable them to become effective workers and suppliers, but also to improve their capacity for self-governance, while 53-62.5% of the Philippine SEPPS respondents claimed such. One needs to nuance these percentages however and note that the number of SEPPS in the Indian sample of 16 is only half the number of SEPPS in the Philippine sample of 32 – which means that 50% of Philippine SEPPS respondents is numerically equivalent to 100% of Indian SEPPS respondents.

Table 8: Services Provided by SEPPS in Line with Specific Impact Areas: India and the Philippines

Impact Area	India	Philippines
Enabling the poor as effective workers/ suppliers	• Training, capacity-building and skills development: 100% • Financing: 75% • Product development and marketing support: 56%	• Training, coaching and study tours: 62.5% • Financing: 56% • Product development and marketing support: 53%
Improving poor's capacity for self-governance	• Leadership training: 100% • Financial management training: 100% • Business planning: 87%	• Leadership training: 53% • Financial management training: 53% • Business planning: 50%
Improving the poor's asset base	• Savings and capital build-up: 62% • Training: 75% • Group savings and capital build-up: 62% • Linking with public and private institutions: 62% • Planning and financing of group investment: 56%	• Savings and capital build-up: 44% • Training: 37.5% • Group savings and capital build-up: 31%
Improving the Quality of Life	• Livelihood/employment trainings : 81% • Leadership and personality development: 75% • Financial literacy: 75% • Gender and development: 69% • Linking with public and private social service institutions: 69% • Scholarships: 56% • Coaching and mentoring: 6%	• Livelihood/employment trainings : 50% • Leadership and personality development: 44% • Scholarships: 31% • Financial literacy: 28% • Gender and development: 28% • Coaching and mentoring: 25%
Moving the poor out of poverty	• Monitoring and declaration of movement of the poor out of poverty is done in general body and board meetings of 75% of surveyed SEs	• No data

Impact Area	India	Philippines
Enabling the poor to contribute to community development	• Community-based systems for water, health and sanitation, natural resource management, disaster risk reduction: 56% • Community visioning and planning: 75% • Networking, claim-making: 12.5% • Community resource appraisal, mapping: 6%	• Community-based systems for water, health and sanitation, natural resource management, disaster risk reduction: 28% • Community visioning and planning: 25% • Networking, claim-making: 25% • Community resource appraisal, mapping: 25%
Contribution of SEPPs to Sector/Community	• Provision of jobs: 94% • Development of leaders: 75% • Position of women in community: 87.5% • Community projects: 50% • Formation and development of sectoral/ community organizations: 12.5% • Provision of community infrastructure: 12.5%	• Provision of jobs: 62.5% • Development of leaders: 56% • Position of women in community: 53% • Community projects: 50%

In general, the surveyed SEPPS in both countries put a lot of emphasis on capacity-building of the poor. This includes not just skills development related to the poor's role as workers or suppliers. It also includes training on leadership, financial management, business planning, individual and group capital build-up, livelihood, and even personality development. Gender and development trainings are reported by 69% of Indian SEPPS and 28% of Philippine SEPPS.

Aside from training, a significant number of SEPPS also extend financing and/or link the poor with public and private institutions (particularly in India). More than 50% of surveyed SEPPS in both countries provide product development and marketing support.

Around half of the Indian SEPPS and a quarter of the Philippine SEPPS assist the community in accessing basic infrastructure; 75% of Indian SEPPS and 25% of Philippine SEPPS say that they help in community visioning and planning.

In terms of overall contribution of the SEPPS to the sector/ community, the most frequently mentioned was job provision/ creation. With a slight difference in ranks, the next three were: development of leaders, improving the position of women in the community, and community projects. These were all mentioned by 50% or more of the surveyed SEPPS in each country.

The CEOs of the surveyed SEPPS were asked to assess their SEPPS' strategies as to which they believed were most effective in generating different types of impact. The results are summarized below:

- *Enabling the poor as effective workers/ suppliers:* Seminars and trainings (e.g. leadership development, skills training) were provided by 100% of Indian SEPPS and 44% of Philippine SEPPS

- *Improving poor's capacity for self-governance:* Although capacity-building of individuals for financial management/ other skills is also considered effective (by 50% of Indian CEOs and 28% in Philippines), capacity-building for the group/ enterprise/ cooperative is given more emphasis (100% in India; 44% in Philippines)
- *Improving the poor's asset base:* Financing through loans and enterprise capitalization (provided by 75% of Indian SEPPS respondents) and savings mobilization (provided by 62% of Indian SEPPS respondents). These services were provided by 30% and below of Philippine SEPPS
- *Improving the quality of life:* Fifty-six percent (56%) of Indian respondents and 31% of Philippine respondents look at scholarships to families of their poor stakeholders as important for this impact area. Twenty-five percent of Philippine respondents also mentioned the provision of higher salaries/ opening up of income sources itself as important.
- *Moving the poor out of poverty:* Access to affordable loans was cited by 31% of the Philippine CEOs as their most effective service in helping the poor move out of poverty. Promotion of livelihood projects and sustainable agriculture were considered effective by 28% of the CEOs,
- *Enabling the poor to contribute to community development*: Although, as seen in Table 8, a significant number of SEPPS helped the poor access community infrastructure, the Indian SEPPS considered community development advocacy (50%) and capacity-building of individuals (25%) as most effective. These were also mentioned by the Philippine SEPPS (16%, same as for investment in community infrastructure).

Across countries, the array of services provided by the SEPPS to their partners among the poor address diverse objectives and generate diverse effects/ impact for the poor. The typology of "transactional" and "transformational" services (Dacanay, 2012; Dacanay, 2013) is a useful analytical tool for better understanding these services.

Transactional services are those that are provided by the SE to enable the poor to be better workers, suppliers or clients. These include fee-based services, i.e. payments for work done, financing, and non-fee-based services (skills training, technical support) aimed at building or improving the capacities of the poor to perform the job/ deliver the output. This type of capacity-building is done by a large number of the SEs. Financial services are provided by around 42% each of the SEs in Indonesia and Bangladesh, 59% of Philippine SEs, and 75% of Indian SEs. Perhaps reflecting the level of development of the SEs, product development and marketing services are provided by 53% of the Philippine SEs and 56% of Indian SEs. Forty-four percent of the Philippine SEs also provide new appropriate technology. Although none of the Indian respondents mentioned provision of technology, this was evident in some of the cases. In comparison, 35% of Bangladesh SEs and 17% of Indonesian SEs provide product development and marketing services. Provision of appropriate technology is not a major service by the SEs surveyed in these two countries.

The Bangladesh SEs tend not to charge for these types of services. Some Philippines-based SEs charge fees for assistance in product development and marketing and support on new technology. Indonesian and Indian SEs did not share much information on fees for their services.

Beyond enabling the poor to become effective workers, suppliers and clients, **transformational services** enable the poor to become actors in their own development.

Educational support is a service that is transformational, an example of individual-directed transformational services. These services also include training on gender issues, skills training/ coaching that is not directly related to the poor's role in the SE and capital/asset build-up beyond that required for micro-credit extension.

Then there is an array of services that are group-directed. These may include trainings of individuals, but for group gain (e.g. leadership training), assistance to the group in organizational and enterprise development, and, helping the organization engage confidently and substantially in community development. The array of services also includes assistance to the group in building its capacities in linkaging, claim-making, advocacy. As indicated in Table 7, these types of services are seen more among SEs in the Philippines and India, and to some extent, Indonesia. They are not so apparent among the SEs in Bangladesh.

As previously noted, 38% of Philippine SEPPS help organize the poor into self-governing associations beyond the core SE system. Some SEPPS in the Philippines, India and Indonesia provide for the poor's participation in the SE's planning and governance processes. It is noteworthy that Philippine SEPPS providing for the poor's participation in planning processes cut across all identified types of SEPPS, indicating that it is not specific to a particular type, but perhaps more to the level of development. In Indonesia, Sharia-based MFIs and cooperatives (composing 30% of the sample) also promote participation of the poor in planning processes. The poor are involved in the planning processes for 81% of the Indian SEs surveyed.

Training, capacity-building and skills development as a whole (which may cut across both transactional and transformational services) are quite common among the SEPPS. These are provided to the poor by 100% of the Indian SEPPS, 78% of Bangladesh SEPPS, 69% of the Philippine SEPPS, and 56% of Indonesian SEPPS surveyed.

The survey also yielded information on a long list of services that cannot be classified as transactional (though some of them could be considered as benefits similar to employee benefits in the private or government sectors) nor transformational (though many have long-term effects on quality of life). These services, quite common across the 4 countries, pertain mainly to basic social services and community services, and could be called as **social inclusion** services. They meet basic needs/ human rights and thus enable the poor to participate more fully in the economy and society. These services cover education, health, housing, water, and sanitation, may provide safety nets, and could be occasional (medical missions, relief assistance) or sustained (health assistance, education). Many SEs provide educational support – ranging from scholarships to subsidies for the education of children of artisans at certain grade levels (e.g. Tarango of Bangladesh). A number of surveyed SEs in India had programs for the control of anemia, a major concern in their area of operations.

Among the SEPPS surveyed, 56% of those in India, 48% of those in Bangladesh, 38% of those in the Philippines, and 22% of those in Indonesia provide some form of these basic social or community services.

A long list of the different types of services provided by the SEPPS – categorized as transactional, social inclusion, or transformational services, is shown in Annex C.

Measuring Social Impact

The SEPPS respondents were asked about what they consider to be the main indicators of their social impact resulting from their programs and services. They were also asked to share the tools and methodologies they use for social impact measurement.

What was generated as responses by surveyed SEPPS to the question about social impact indicators may be summarized along eight impact areas as shown in Table 9.

Table 9: Key Result Areas for Social Impact Measurement Identified by SEPPS

IMPACT AREA	Bangladesh	India	Indonesia	Philippines
Increased, diversified and sustainable sources of income	• Increased income	• Increased income	• Engagement in new or alternative sources of income • Increased entrepreneurship	• Sustained earnings/ financial independence • Increased income Engagement in new or alternative sources of income
Increased capacity to cover basic household needs and improved quality of life	• Improvement in lifestyle/ household condition	• Access to insurance • Improved health • Increase in assets	• Improved quality of life • Home improvement	• Improved capacity to cover basic household needs • Improved quality of life • Food security (three meals a day) • Increase in assets
Improved access to social and community services	• Access to education • Access to health	• Access to health care services for the poor • Access to education, health	• Access to education	• Access to basic social services, education, health
Movement out of poverty		• Members moving out of poverty		• Members moving out of poverty

IMPACT AREA	Bangladesh	India	Indonesia	Philippines
Improved participation, position and empowerment of poor	• Improved social status/ acceptance • Increased participation/ voice of poor	• Increased self-confidence and self-esteem of the poor	• Change in paradigm and habits	• Increased/ improved self-esteem, self-image, self-confidence, self-worth • Improved participation in community affairs and/or governance
Improved status/ empowerment of women	• Women are employed	• Increased self-confidence and self-esteem of women	• Women empowerment	• Improved status of women in the community • Increased participation of women in community affairs and/or local governance
Increased capacity for self-governance and to contribute to community development		• Formation by poor of sectoral/ community organizations • Poor acquire/ manage systems for water, health and sanitation, natural resource management, disaster risk reduction	• Contribution to community welfare/ prosperity • Contribution to environmental improvement	• Formation of sectoral/ community organizations
Increased prosperity, development of the community		• Employment generated • Control of anemia	• Improvement in community welfare/ prosperity • Environmental improvement • Improvement in public service and facilities	• Improved health, nutrition and sanitation of the households • Employment generated

Key result areas related to generating income are common across countries. They range from engagement by the poor in new or alternative sources of income (cited by 31% of SEPPS in the Philippines and by 32% of SEPPS in Indonesia as one of the current impacts of their operations) to sustained earnings/ financial independence, cited by 41% of Philippine SEPPS as their desired impact for their stakeholders.

Another set of key result areas are empowerment-related at the level of individuals and households, and at the level of groups or communities. In Bangladesh, increased participation/voice of the poor ranked even higher than increased income (25% vs. 23%) as an articulated impact indicator. In the Philippines, formation of sectoral or community organizations was articulated by 12% of SEPPS respondents.

Women involvement in the economy and women empowerment were mentioned in some way across the 4 countries, ranging from 7% of Indonesian SEPPS that mentioned “women empowerment” to 31% in the Philippines citing “improved status of women in the community”.

Almost half of the SEPPS surveyed in India (45%) emphasized health care access for the poor, particularly anemia control. Twenty-eight percent of the Philippines SEPPS also considered “access to basic social services” as an important key result area. Indonesian respondents put a lot of emphasis on the prosperity level of the community (56%) and contribution to community welfare (73%) as their SEPPS’ key result areas. What is evident in the SEPPS responses across countries is that qualitative areas of social impact such as improved participation or empowerment that are difficult to measure, comprise a longer list relative to purely economic indicators, such as increased income, that are easier to quantify.

Some SEPPS did attempt to estimate the impact that they had helped generate for the poor, particularly in terms of income increases. One hundred percent (100%) of the Indian SEPPS indicated that they had generated economic impact among the poor, via new livelihoods or additional income from existing livelihoods. For SEPPS that provided estimates of increased income, the range was from USD 40 to 300 per household per year from a baseline of USD 400 per year, or even absolute poverty.

Forty-four percent of Philippine SEPPS claimed that they helped the poor realize increased incomes, ranging from less than USD 28 to USD 2,800, with most estimating income increases for each poor household at around USD 700 or more. For Bangladesh, 15% assess that the poor were able to increase household incomes by around USD 240 to 960 per year.

Indonesian SEPPS were reluctant to estimate any income increase among their partner poor.

Common methods/ tools mentioned by SEPPS respondents for social impact measurement are surveys, interviews, focus group discussions, field visits, usage of observations checklist, staff reports and consultations. However, measurement of social impact is not yet imbedded in SEPPS operations. The Bangladesh research underscores that there are as yet “no established systems, procedures and indicators for measuring social impact”.

The surveyed SEPPs have a long way to go in terms of measuring and keeping track of social impact. Most of the surveyed SEPPS keep track only of the number of people accessing financing or other services, participating in trainings and other capacity-building activities, and working in the social enterprise. Some of these are not even systematically recorded. Increased incomes and related outcomes are estimates. Qualitative outcomes like improvements in participation and self-esteem are desired but not measured. By country, the Bangladesh SEPPS provided the least information on this area of inquiry.

For some developed SEPPS, contracting of external consultants to undertake impact assessments was noted as a practice but not on a regular basis. It seems to be generally related to the need for such by an external partner, an application for funding support, the SEPPS application or nomination for public recognition or a competition, or the SEPPS' participation in a funded project or study involving social impact measurement .

Microfinance institutions, notably in the Philippines and India, have started to use a development index called Progress out of Poverty Index (PPI). However, it is currently used more as a tool for targeting clients to increase the likelihood that they are poor, than for monitoring and evaluating their progress out of poverty. Two SEPPS respondents, notably in the Philippines, have explored or are exploring Social Return on Investment (SROI) as a tool but have not reached a level of imbedding this in their practice.

On the whole, the research clearly shows that social impact measurement is a weakness that SEPPS need to overcome. The findings of the research indicate the importance of a change of mindset on the part of social enterprises and their support institutions, and the need for an adequate level of social investment to develop the tools, build the capability and imbed the practice of social impact measurement among SEPPS.

SEPPS Contribution to Women's Economic Leadership

This discussion of survey findings in relation to women's empowerment uses Oxfam's Women's Economic Leadership (WEL) framework as guide. As explained in the analytical framework of this report, WEL is not only about the social inclusion but more importantly the empowerment of marginalized women. It is about women gaining economic and social power by securing economic resources, gaining power in markets and changing attitudes and beliefs to enable equal relations with men and in decision making.

The survey was limited to generating data on some dimensions of WEL as they are practiced by SEPPS, and was focused on:

- the extent of women's representation in leadership and management positions in the SEPPS;
- the extent of outreach, nature of services provided and contributions of SEPPS to women's economic empowerment; and
- SEPPS plans in the next 5 years pertaining to women's economic empowerment.

On Women as Leaders and Managers of SEPPS

If we go by numbers and with some nuancing, the research indicates that women are well-represented in the governance and management bodies of SEPPS surveyed in the Philippines and India and to a lesser extent in Bangladesh. Women representation is much lower among Indonesian SEPPS surveyed. Table 10 shows the percentage of women occupying positions as CEO and as members of Boards and Management Committees of SEPPS.

In India, women account for 80-90% in board and management positions. Sadhna, a social enterprise engaging women in the handicrafts subsector in India, had 50 women in its management committee, accounting for 100%.However, women only account for 31% of the CEOs in India, which is the lowest among the country samples.

Table 10: Women in Governance of the SEPPS: Percentage of Women at Various Levels

	Bangladesh	India	Indonesia	Philippines
CEO	42%	31%	38%	52%
Board or equivalent	47%	80%	25%	47%
Management Committee or equivalent positions	N/D	90%	24%	64%

On SEPPS Services and Contributions towards Women's Economic Leadership

A big number of the SEPPS' outreach are marginalized or socially and economically challenged women, particularly in India and the Philippines, and to a certain extent in Bangladesh. They remain a minority among the SEPPS in Indonesia.

In all 4 countries, the respondents said that their SE provides services targeting women: training and some access to capital. MFIs, which have the most outreach among SEPPS surveyed, mainly address access to capital. The training inputs mostly center on capacitating them with knowledge and specific skills on grassroots entrepreneurship including business development, livelihood skills, financial literacy, craft making, savings and credit.

There are other services that go beyond purely livelihood and economic concerns. These focus on gender equality, maternal and child care, spirituality issues and "informal education". In addition to extending loans, including interest-free loans, the non-training services include health & life insurance coverage, benevolence assistance, medical support, educational support for children, providing shelter homes and children's day care facilities in the work place.

The SEs surveyed in India work predominantly with women: almost 100% of suppliers and clients are women, along with 98% of workers and 65% of owners (47,098 out of the 72,819 owners of cooperatives and trusts). Through mechanisms such as the inclusion of the poor in governance, women are able to share in the decision-making processes of the SEs. This indicates that the SEPPS create opportunities to empower women both economically and socio-politically.

Similarly, many of the Bangladesh SEs were organized to improve the economic condition of women and empower them. Forty-two percent of the SEPPS cite "disadvancement of women" as a major issue that they are seeking to address. Although gender-disaggregated data are not sufficient to establish actual percentages of women reached, survey respondents indicated that a majority of the 7 million reached for capacity-building by the SEPPS in Bangladesh (as contained in Table 3) are women. The SEs surveyed said that they provide a range of trainings and other capacity-building interventions for partners among the poor. These include helping women in the rural areas and women in prostitution by facilitating better education for their children, improving health awareness, and providing alternative sources of income. Women account for a large chunk of the poor who are involved as workers and suppliers. In the CEO survey, "women are employed" was the second most-mentioned indicator of the SEs' social impact, after "increased income".
The Bangladesh survey also indicated that women among the poor are represented in the Boards of 68% of the social enterprises (women are in 91% of SEs with Boards; 75% of the SEs have Boards or similar bodies). However, a number of SE CEOs noted that participation of the poor (including women) in Boards is largely symbolic.

Forty-four percent of the SEPPS surveyed in the Philippines provide women-focused services and programs. Some Philippine SEPPS respondents indicated that they have integrated gender and development into their policies, programs and operating systems. Indications of these are the existence of policies guiding women-focused programs, gender equality, education, the formulation of women empowerment sections in their strategic plans, and ensuring gender balance in the SEs' Board of Directors/Trustees.

Philippine SEPPS respondents also indicated conducting gender sensitivity training seminars (GSTs), implementing gender equality advocacy programs, as well as encouraging women's participation and leadership in their organizations. "Improved status of women in the community" was cited by 31% of the SEs as a major contribution of the SEPPS to overall quality of life, followed by "increased participation of women in community affairs and local governance" at 28%.

Data provided by the Philippine SEPPS also show that women account for 71% of the poor stakeholders represented in the SEs' governance structure, with 44% of the poor stakeholders represented in the SEs' management structure.

The survey results from Indonesia provide little information on the SEs' contribution to women's economic leadership.

<u>On Target Key Result Areas (KRAs) for Women in the Next 5 years</u>

A number of SEPPs in all 4 countries include the economic empowerment of women in their KRA targets in the next 5 years. This was more explicit in the KRA targets of Indian SEs and some Philippine SEs. Highlights of these targets were increased outreach among women; increased representation of women in leadership positions; women having equal rights to occupy key roles in production and management of groups and communities; women gaining more economic self-sufficiency; providing higher income for women; training more women on financial literacy; and women playing an important role in decision-making in the family.

<u>Implications on WEL as an Agenda of SEPPS</u>

Overall, the research indicated that SEPPS are playing an important role in the social inclusion of women. However, the desired goal and practice of women's economic empowerment, except among a few SEPPS, remains a weakness.

The research showed that with the exception of Indonesia, women rank high in the outreach of the SEPPS surveyed. Women, including disadvantaged women are also in positions of leadership and management of SEPPS.

From inception, many SEPPS saw women to be an important sector to be reached and provided with services. Women were, in varying degrees, engaged as clients, workers, suppliers, owners, partners and leaders of SEPPS.

However, there are only a handful of SEPPS that consciously integrated and operationalized women's empowerment as a goal, and have women-specific/ gender-disaggregated targets in their plans and monitoring activities. These were noted mainly among some developed

SEPPS in India and the Philippines. Here we note some outcomes such as improving the position and status of women in community affairs and governance.

Where the nature of the services provided are largely about providing access to economic resources such as financial capital, livelihood and enterprise-related skills and access to markets, outcomes reported by SEPPS are mainly about employment and increased incomes.

Women's economic leadership as a framework and goal entails a nuanced application of gender analysis at different levels – households, communities and markets -- in the interventions of SEPPS. Succeeding qualitative research need to follow up on such nuanced analysis. Take the case of the many responses among the SEPPS surveyed that they have provided employment or alternative sources of livelihood for women. While these may be positive steps towards social inclusion, a gendered analysis of these initiatives in bringing about women's empowerment and barriers to achieve them is important to pursue. Questions need to be raised as to whether or not these forms of employment or livelihood are easing the multiple burden of women, are providing them with substantive income, are reinforcing the stereotypes of women's work (e.g. women in handicraft, micro-enterprises, low-paying jobs) as mere augmentation or appendage to men's work, or if these really provide leverage for women to have a bigger role in making decisions in the family, community and markets.

In relation to the main services offered to the women in the SEPPS surveyed, they included training on livelihood development, financial literacy and maternal and child care. Although new knowledge and skills are inputted to the women, there may be a need to find out if such lead to a better self-image as actors in the public and private spheres, and are helping them to negotiate their rights as equal partners of men in the family, community and nation-building.

There may also be a need to look more closely at what having more women in positions of leadership among the SEPPS mean. Do they lead and vote with an empowered women's perspective in the context of fully understanding the social objectives and transformational agenda of SEPPS? Or are they unconsciously playing a role of strengthening norms and practices that disempower women in a bid to ensure enterprise profitability to compete in unethical mainstream markets?

The challenge for SEPPS is to move from an agenda of pursuing social inclusion of disadvantaged women in markets to developing and operationalizing a more conscious women's economic leadership and empowerment framework and agenda for SEPPS.

In this respect, SEPPS need to be engaged as a learning community to among others, develop and promote benchmarks for consciously pursuing women's economic leadership and empowerment as a key element in their agenda for transformation..

Challenges Faced by SEPPS

As assessed by the CEOs, main challenges in the next 5 to 10 years are listed in Tables 11 and 12. The analysis of challenges is one aspect where a distinction between the more advanced SEPPS (i.e. those in the Philippines and India) and the evolving SEPPS (majority of those in Bangladesh and Indonesia) could be most appropriate and useful.

The top internal challenges raised by Philippine and Indian SEPPS are challenges that face enterprises that are developed and undergoing innovation – access to appropriate technologies, leadership and management capabilities for scaling-up, while seeking to achieve financial viability and sustainability. As seen in Table 11, majority of Philippine SEPPS mentioned a long list of challenges that span the various aspects of social enterprise management.

Notably, Philippine and Indian SEPPS were the only ones that raised measurement of social outcomes as a top challenge – at a high 62% and 69% of SEPPS, respectively. Again, this is reflective of the level of development of the SEPPS respondents in the survey – most of them have already firmed up the concept of their nature and role as multiple bottomline enterprises with the poor as primary stakeholders,. But they need to define/refine their tracking and measurement of their social outcomes, a weakness that was discussed in the previous section on Measuring Social Impact. Nineteen percent of Philippine SEPPS have started to invest in using specific tools: 4 MFIs use the Progress out of Poverty Index (PPI) and two social enterprises have or are investing in the application of Social Return on Investment (SROI). In India, the practice of women's federations of monitoring, presenting and discussing the number of members/ clients moving out of poverty is noteworthy.

For Bangladesh, the top challenge raised – by a wide margin over the second – was access to adequate financing. Many of the SEs surveyed find bank interest rates and borrowing procedures prohibitive. This lack of access to finance is seen as restricting growth for many SEs, particularly for those who want to enter the export market. This problem also limits the capacity of the SEs to expand their outreach among the poor.

For Indonesia, the top 3 challenges all have to do with people at various levels/roles – governance, leadership, management, and enterprise operations. These are seen as critical aspects that have to be addressed as the SEs are poised to evolve, develop and scale up.

Table 11: Main Internal Challenges Faced by the Organization

Bangladesh	India	Indonesia	Philippines
• Access to adequate financing: 57% • Capacity development and management of people: 23% • Access to appropriate technologies: 22% • Achieving financial viability & sustainability:18% • Effective & efficient management of operations to meet volume & quality: 18%	• Measurement of social outcomes: 69% • Access to appropriate technologies: 25% • Capacity development and management of people: 19%	• Committed & competent board members/leaders: 39% • Capacity development and management of people: 27% • Leadership and management capabilities for scaling up: 22% • Access to adequate financing: 19% • Effective & efficient management of operations to meet volume & quality: 17% • Identification, development & management of markets: 15%	• Access to appropriate technologies: 69% • Achieving financial viability & sustainability: 66% • Measurement of social outcomes: 62% • Leadership & management capabilities required by scaling up: 59% • Capacity development and management of people: 59% • Effective & efficient management of operations to meet volume & quality: 56% • Access to adequate financing: 56% • Development of second liners: 53% • Committed & competent managers: 50% • Identification, development & management of markets: 50%

For external challenges, the differences between what evolving and developed SEPPS are facing are not so distinct. This may be because the number of respondents that gave answers, especially for Bangladesh and Indonesia were much less than 50%, so a clear trend could not be established.

What came out as a major external challenge common to all countries was government policies negatively affecting social enterprises. This was the top challenge for India and Bangladesh, next only to extreme weather disturbances in the Philippines (hard-hit by natural disasters in the past several years), and mentioned in Indonesia. Part of the problem, cited in India and alluded to in Indonesia, is "competition" from government agencies that pursue similar programs, such as federating self-help groups.

Other significant challenges cutting across countries are industry/ market practices negatively affecting SEs, inadequacy of programs supporting social enterprise development, and corruption in government regulatory bodies.

The challenges reflect the difficulties facing SEs as they straddle the non-profit and profit sectors, market and non-market realms. The unique nature of social enterprises requires customized policy support. As mentioned earlier, an initiative to address this is being pursued in the Philippines. A coalition of SEs and support institutions in the Philippines are advocating for the passage of a Social Enterprise bill that will provide support to social enterprises in recognition of the distinct role that they play, and can play, as social mission driven wealth-creating organizations that are working to move the poor out of poverty.

Table 12: Main External Challenges Faced by the Organization

Bangladesh	**India**	**Indonesia**	**Philippines**
Government policies negatively affecting SEs: 35% Changing market environment: 28% Industry/ market practices negatively affecting SEs: 25% Corruption in government regulatory bodies: 25% Inadequacy of programs supporting social enterprise development: 22%	Government policies negatively affecting social enterprise: 37.5% Changing market environment: 19% Inaccessible or inappropriate government programs and regulations: 12.5% Partnership maintenance and effective collaboration with government projects: 12.5%	Industry/ market practices negatively affecting SEs: 20% Corruption in government regulatory bodies: 19% Extreme weather disturbances: 17% Inadequacy of programs supporting social enterprise development: 17% Government policies negatively affecting SEs: 12%	Extreme weather disturbances : 65% Government policies negatively affecting SEs: 59% Changing market environment: 37.5% Industry/ market practices negatively affecting SEs: 34% Inadequacy of programs supporting social enterprise development: 34% Trade liberalization: 28% Inaccessible or inappropriate government programs: 28% Corruption in government regulatory bodies: 25%

Partnerships

In facing these challenges, the SEPPS look not only within their own organizations/ systems but also seek to maximize partnerships with actors in the business/private sector, the social enterprise sector and other civil society organizations, and government.

Bangladesh. Partnerships mainly relate to funding, with 50% of the respondents citing project donors/ NGOs as main partners, and another 37% mentioning local and foreign government funders. Thirty percent mentioned the business sector.

India. The complex nature of SEPPS is perhaps underscored by the relationship of surveyed SEs with government. Eighty-one percent of SE respondents partner with government. However, it should be noted that, aside from "government policies negatively affecting social enterprise" emerging as top external challenge, "partnership and collaboration" issues with government was also mentioned by 12.5% of the respondents as a challenge. The experience of Indian SEs could indicate nuances for partnership-building with government, particularly in terms of uniting on strategies and delineating roles. The percentage of SEPPS with business sector partnerships is also 81%. However, this figure includes those whose only partners in the business sector are banks. Taking out these respondents, the percentage drops to 44%. In the meantime, only 19% of surveyed SEPPS said that they partner with civil society organizations.

Indonesia. In Indonesia, SEs forge partnerships with government, civil society/ NGOs, and the business or private sector. There was no predominant main partner group, with 22-26% of responses citing business, civil society and government as partners.

Philippines. The SEPPS included in the survey cast a wide net in partnership-building. Partnerships with civil society and other social enterprises were cited the most. On the average, each SEPPS had 8 to 9 partners which can be broken down into averages of 4 from civil society or other social enterprises, 2 from the private sector, and 2 from government. Capacity-building (training, technical support) was the main type of support accessed from these partners (with government as primary provider), followed by funding (with civil society, e.g. development funders as primary provider), marketing/ product promotion (civil society/ other social enterprises as main supporter) and production-related assistance (mainly government).

On the whole, SEPPS across the four countries, with the exception of India, tend to have more partnerships with other SEPPS and civil society, indicating that there is a lot of room for broadening of partnerships with government and the business sector. As indicated by the external challenges faced by SEPPS however, partnerships need to go beyond bilateral relationships. The challenges of unfavorable government policies, government corruption, and market/industry practices negatively affecting SEPPS can best be confronted by a united effort of SEPPS and their support institutions collaborating to meaningfully engage government and the business sector as transformational partners.

Looking Forward: Next Five to Ten Years

Table 13 lists the SEPPS respondents' Key Result Areas for the next 5-10 years.

Table 13: Key Result Areas in Next 5 - 10 Years

KRA	Bangladesh	India	Indonesia	Philippines
Expansion of outreach	42%	75%	44%	88%
Poverty reduction and capacity development of the poor	25%	75%	25%	56%
Economic empowerment of poor women	33%	75%	17%	12%
Product and market development	27%	6%	44%	69%
Value chain development	13%	38%	12%	22%
Organizational development	18%	6%	36%	19%
Sustainability of social enterprise	10%	75%	37%	N/D

Across countries, the most frequently-mentioned KRA was expansion of outreach. For India and the Philippines, the percentages of 75% and 88% refer to all SEPPS that gave responses to the question, as some declined.

The respective weights given to each KRA vary after outreach. Across countries though, poverty reduction and capacity development of the poor is a KRA for a significant percentage of SEPPS.

Four KRAs were mentioned by all Indian SEPPS that replied to the question. Aside from expansion of outreach and poverty reduction/ capacity development of the poor, the other common concerns were economic empowerment of poor women and sustainability of the social enterprise. The only other KRA that had a significant number of mentions was value chain development at 38%.

For the Philippines, only those with specific targets were included in the count, hence possibly skewing the figures. Economic empowerment of poor women is a concern for majority of the SEs. Sustainability of the social enterprise is likewise a major concern for almost all SEs. Product and market development, which got a high number of mentions, is crucial for sustainability. On this KRA though, the result for the Philippines differs greatly from the India result, indicating that products and markets may be more established and stable – on the average – for the Indian sample.

India is the outlier for the aspects of product and market development and organizational development. Significant numbers of Indonesian and Bangladeshi SEPPS also noted concerns such as product and market development and organizational development.

The Indian and Philippine reports provided more detailed information on the KRAs.

For India, the aggregate target for expanded outreach was 215,500. Provision of basic education, health and amenities including housing, sanitation and infrastructure for poor people, including small farmers and landless laborers in Northern India; and reaching more tribal women and enabling them to get more job opportunities are examples of more detailed targets for this concern. Surveyed SEs work primarily with women. For the economic empowerment of women, specific objectives are on income generation and skills-building. Promotion of health-seeking behavior (especially on anemia) is also prominent. On value chain development (mentioned by 38%), specific concerns are the identification and development of value-adding processes for various agricultural, dairy and sericulture products; reduction of transaction cost in credit access; and lowering of cost of health care services. Lastly, more than 60% see the attainment of sustainability as crucial. They also recognized that it would depend on value addition and scale.

In the meantime, the Philippine SEPPS included in the survey are poised to massively expand their outreach. The 28 SEPPS that replied expect to have additional members/ clients from a low of 500 to a high of 1.5 million poor, or a total of 1.7 million, almost half of the estimated number of poor families by 2012. This does not yet include targets of 4 SEPPs including CARD (major MFI) with massive outreach. SEPPS-specific goals on poverty reduction include goals on livelihood generation, capacity-building for the poor in enterprise development, and the plans to set up new institutions or organizations and strengthen partner organizations. Other SEPPS plan to capacitate staff and prepare second liners.

The SEPPS CEOs were also asked about what they believed would be the top facilitating factors for growth. A summary of the responses of the CEOs who provided responses to this question identified four main facilitating factors:

- Adequacy of financial capital and donor support to pursue both the social and economic goals of social enterprises (as indicated by references to donor support, abundant resources and sufficient capitalization);
- Committed, dedicated, proactive leadership (board, management), membership, staff and volunteers, including fostering good teamwork and effective/efficient management systems;
- Harnessing the support of partners, networks and markets including the power of social capital among social enterprises to pursue both economic and social goals; and
- Engaging government to put in place favorable policies and programs to support social enterprises as vehicles for pursuing social and economic goals.

CONCLUSIONS

On the whole, the findings of this research have provided both conceptual enrichments and practical insights on social enterprises as vehicles for poverty reduction and women economic leadership in Asia. In particular, the findings of this research have:

- validated and enriched the concept of SEPPS as an emerging and relevant segment of social enterprises in developing countries in Asia;
- provided insights on the roles, potentials and challenges faced by SEPPS to become key players in poverty reduction and women economic leadership (WEL) in the next 5-10 years;
- provided insights on the roles, potentials and challenges faced by support institutions, including businesses, governments and civil society, if SEPPS are to be effectively supported as vehicles for transforming the lives of the poor, women and men alike, in the next 5-10 years; and
- provided some enhancements about the elements of WEL as a transformational framework for SEPPS to serve as vehicles for women's economic empowerment in developing country contexts.

SEPPS as vehicles for wealth creation and distribution among the poor

The research validated SEPPS as social mission driven wealth creating organizations that pursue poverty reduction/alleviation or improving the quality of life of the poor as principal objective, and have a distributive enterprise philosophy. The social mission-driven nature and focus of SEPPS in serving and empowering the poor was reflected in the content of the vision and mission statements as well as the goals, objectives and perceived impact of the SEPPS on the poor, the range of the poor served and the combination of services provided to the poor. The poor are given significance in a range of different ways as exemplified by direct references to them in the vision and mission statements of the SEPPS across the 4 countries:

- "alleviating poverty in marginal communities" (Alter Trade Foundation, Philippines);
- "empower socially and economically-challenged women and their families" (CARD-MRI, Philippines);
- "bring about positive changes in the lives of disadvantaged artisans and underprivileged rural women" (Aarong, Bangladesh);
- "a poverty-free society through women's empowerment" (Tarango, Bangladesh);
- "fighting poverty and empowering women…from the bottom 25% of households in Indonesia" (Mitra Bisnis Keluarga, Indonesia);
- "promote and support innovations in poverty alleviation for the development of rural communities" (SVK, India); and
- "promotion of a just and equitable society", "promote sustainable livelihoods for those in need" (Impulse Social Enterprises, India).

The most significant segments of the poor served are the enterprising poor, farmers, agricultural workers, indigenous people, poor in urban and peri-urban communities, unemployed and underemployed, and the women cutting across these segments. A big number of the poor outreach of SEPPS, particularly in India, the Philippines and Bangladesh are marginalized or socially and economically challenged women.

The elements of the definition of SEPPS as being a wealth creating organization and having a distributive enterprise philosophy were reflected in their being engaged in the sale of a wide array of products and services, the revenues of which were used for sustaining their operations, with the profits or surplus plowed back to provide additional services to the poor.

Given that most of the SEPPS across countries were either non-stock, non-profit corporations dedicated to serving the poor or cooperatives with the poor as members, the profits or surplus are by design plowed back to their respective organizations, used to finance non-fee based services to the poor and in the case of cooperatives, partly distributed as dividends to their members among the poor. The way the distributive philosophy is practiced by SEPPS that are either single proprietorships, partnerships or stock for-profit corporations would be an interesting area of future research. *Gandang Kalikasan* in the Philippines has shown how it can do so through the provision of living wages to its workers and plowing back the profits from some of its best-selling products to partner supplier communities. While the minimum wage required by law is about PHP480/day, the lowest paid worker in *Gandang Kalikasan* is receiving PHP750/day.

‘Evolving’ and ‘developed’ SEPPS

The research provided insights on SEPPS at 2 different levels of development – evolving SEPPS and developed SEPPS. The snowball or referral samples of SEPPS from Bangladesh and Indonesia both represent, on the main, ‘evolving SEPPS’ – or SEPPS that are still in the process of becoming. The purposive sample from the Philippines and India represent on the main ‘developed SEPPS’ – or SEPPS that have reached a stage of maturity and are already engaged in a process of innovation.

This is borne out by the self-assessment of the CEOs among a majority of SEPPS in the four countries studied of their respective social enterprise models. Over 70% of the CEOs in both Bangladesh and Indonesia characterized their social enterprise model as “still evolving and emergent”. Sixty-two percent of the CEOs in the Philippines and more than eighty percent of CEOs in India characterized their social enterprise model as “developed and undergoing continuous innovation” or “conceptually clear and in the process of implementation”.

This has provided an opportunity to gain insights on the commonalities and differences of these 2 segments of SEPPS that coexist in various countries in Asia. This would provide a more nuanced understanding of the roles played, the needs and challenges to be overcome, and the potentials of SEPPS to become key players in poverty reduction and women economic leadership in the region. Although the four countries may have their own peculiar contexts, the common developing country context of poverty and inequality, amidst the failure of state and market institutions to effectively respond to the needs of the poor, makes these findings potentially relevant to the whole Asian region, home to 2/3 of the world’s poorest.

The age of the social enterprises seems not to be a major determinant of their level of development as SEPPS, as the median age range of the samples show: 10 to less than 20 years for the Philippines, 15 to less than 25 years for Bangladesh, 13 years for India, and 5 to less than 10 years for Indonesia. What seems to differentiate these two segments of SEPPS more are the scale, nature and complexity of their services towards the poor and the size, nature and complexity of their organizations to enable the delivery of these services.

SEPPS as hybrid agents of change in markets and the economy

The findings clearly showed the nature of SEPPS as hybrid organizations straddling the for-profit and non-profit as well as the market and non-market spheres of the economy. As hybrid organizations, they provide a combination of market and non-market services to the poor that they serve: transactional services and transformational services that were already observed in a previous study on SEPPS (Dacanay, 2012; 2013), and a third which this research has called social inclusion services.

Transactional services are market-oriented and assist the poor to become effective workers, suppliers and clients. Examples of these are skills training and product development and marketing, as well as savings, credit and micro-insurance. Some of these services are fee-based; others are non-fee based. There is a wide variation of practices across countries. In Bangladesh, no trainings are paid for by the poor. In the Philippines, 3 SEPPS (less than 10% of the sample) charge fees for trainings. Also, a big number of the SEPPS charge interest for loans, but there are a few who provide interest-free production loans to their partner producers.

Transformational services are oriented at the poor as stakeholders to assist them overcome their capability deprivation to become actors in their own development. Examples would be organizing them into self-governing associations, leadership development and capacity building on gender issues. Some of these services are individually directed, such as scholarships in formal educational institutions or enrolment in alternative learning systems. Others are group directed such as cooperatives organizing and development.

The main transactional services provided by SEPPS were financial services (42% of SEPPS in Indonesia and Bangladesh, 59% of SEPPS in the Philippines, 75% of SEPPS in India since the sample was predominantly of self-help group federations and MFIs); product development and marketing (17% of SEPPS in Indonesia, 35% in Bangladesh, 53% in the Philippines, and 56% in Bangladesh) and provision of new appropriate technology (44% among Philippine SEPPS).

Transformational services in the form of training, capacity building and skills development were the type of services given the highest importance, with more than 50% of SEPPS across countries providing them: 100% for India, 78% for Bangladesh, 69% for the Philippines and 56% for Indonesia. These percentages however may intersect with transactional services, particularly those directly related to improving the knowledge and skills of the poor as workers, suppliers or clients.

Group directed transformational services related to organizing and developing self-governing institutions of the poor beyond the core organization of the social enterprise were provided by 38% of Philippine SEPPS. The same percentage of Philippine SEPPS involved the poor in their planning processes and provide for the poor’s representation in the governance and management structures of their social enterprises. Interestingly, the Philippine SEPPS providing for the poor’s participation in their planning processes cut across all types of SEPPS (social mission driven MFIs, social cooperatives, fair trade organizations, trading development organizations and new generation social enterprises), indicating that this may be a practice relevant to developed SEPPS.

In India, organizing of the poor is intrinsic to at least 37.5% of the SEPPS surveyed that were self-help group (SHG) federations, and given importance among other SEPPS surveyed. Leadership training and capacity-building to strengthen the group, enterprise, or cooperative is done by 100% of the SEPPS surveyed. Most respondents have also installed processes for the poor to participate in governance.

Sharia-based Indonesian MFIs and cooperatives, composing 30% of the Indonesian SEPPS surveyed, also said they promoted the participation of the poor in their planning processes.

Social inclusion services are non-fee based social welfare services that directly assist the poor and their families to have immediate access to basic needs or to immediately improve their quality of life. They include supplementary feeding programs for children, health care and education, work-site nursery facilities for working mothers, shelter homes for persons with disability, and housing assistance for those affected by disasters. They come in the form of benefits provided by the SEPPS to the poor and/or the families of the poor who are their workers, suppliers, clients and in the case of cooperatives, their members, or as programs in the communities where they reside. Basic social services (specially education and health) and community services (e.g. community-based systems for water, health and sanitation, natural resource management and disaster risk reduction) were part of the main services provided to the poor by 56% of SEPPS in India, 48% of SEPPS in Bangladesh, 38% of Philippine SEPPS and 22% of Indonesian SEPPS surveyed.

Social inclusion and transformational services are neither market-based nor market-driven and, based on the results of this study, are financed from either the profits or surplus of SEPPS or from public or private grants, or by a third party, such as companies practicing corporate social responsibility (CSR). It is noteworthy that among a significant number of SEPPS in the Philippines (38%) who provide group-directed transformational services to the poor they serve, the resulting community-based organizations of the poor have been observed as engaging government and other institutions to set up community-based water systems or health centers, or build public infrastructure such as roads and electrification.

The findings clearly show the multifunctional nature of these social enterprises: SEPPS pursue a combination of socioeconomic objectives and balance means and ends to reach those goals. They mobilize different types of funding for providing different types of services, many of which are not monetary but in kind services to the poor. Outcomes also go beyond what conventional economic appraisals can provide, including intangible results such as improved self-esteem, emancipation and happiness.

The research suggests that the type of services that SEPPS provide, as well as the needs and challenges, both internal and external, they face depend on the stage of development that the SEPPS have reached. At the same time, their pace of development is affected by these factors, indicating a dynamic interaction with their environment – as with all types of enterprises and organizations. In particular though, the research suggests that SEPPS have the potential to evolve from an initial stage of economic organization, characterized by low internal organization, weak governance and lack of efficient management with great dependence on external support, to a mature stage, where they can become financially autonomous socioeconomic enterprises with a highly complex internal functioning and ability to serve the poor, women and their community at large through innovation and collective learning.

In a context where conventional programs for reducing poverty and attaining gender equity have shown a lack of effectiveness, the study provides insights on conditions that can make social enterprises active vehicles for poverty eradication and women's economic empowerment.

Roles, potentials and challenges faced by SEPPS and support institutions

At every stage, SEPPS face different needs, as well as internal and external challenges. Evolving SEPPS might need important external funding and improved management skills while mature SEPPS might need appropriate support to scale up and leverage their social impact. Overcoming challenges requires (1) identification of the specific needs and challenges; (2) developing ways to fulfil these needs and overcome the challenges; and (3) elaborating common strategies that reinforce internal and external relations, notably through collective learning and collaborative partnerships.

Measurement of social outcomes is a major weakness of SEPPS, whether in their evolving or developed stages. It is explicitly expressed by 69% of Indian SEPPS and 62% of Philippine SEPPS as one of the top internal challenges faced by them. Some Philippine SEPPS have started to invest in using specific tools such as the Progress out of Poverty Index (PPI) and Social Return on Investment (SROI) to start responding to this challenge. .

Given such, the study could not effectively ascertain the qualitative impact, even of the SEPPS surveyed, on the poor over the past 5-10 years. The most the study could provide are indications of perceived positive outcomes by the CEOs and their staff among the SEPPS that responded to questions regarding social impact. These outcome indicators may be considered in developing social impact measurement tools for SEPPS at the level of individuals, households and communities. These include:

- increased, diversified and sustainable sources of income
- increased capacity to cover basic household needs and improved quality of life;
- improved access to social and community services
- movement out of poverty[26]
- improved participation, position and empowerment of the poor
- improved status and empowerment of women in the community
- increased capacity for self-governance and to contribute to community development
- increased level of community development and prosperity

The data generated from the India and Philippine samples provide an indication of the significance of the current and potential outreach of SEPPS among the poor. The outreach of Indian SEPPS surveyed was around 480,000 of which women constitute 93%. Considering that this outreach is that of 16 SEPPS, it provides a good indication of the potential for developed SEPPS to cover significant numbers of the poor. The Philippine

[26] This was cited by MFIs in the Philippines that utilize the Progress out of Poverty Index as tool in their respective organizations. However, they have only monitored such among 300-1,386 clients. The number of households moving out of poverty is monitored and presented by some SEPPS in India, specifically the SHG federations functioning as "trusts".

sample, which covers 32 SEPPS indicates a more significant picture in terms of current and potential scale of outreach. The SEPPS surveyed have a combined outreach of approximately 2.5 million poor. Considering that the number of poor families in the Philippines in 2012 was 4.2 million, the combined outreach of these SEPPS alone may be interpreted as covering about 30% of poor families, assuming 2 family members are part of the 2.5 million reached. Among the Philippine SEPPS which estimated their increase in outreach in the next 5-10 years, 88% gave estimates within the range of 500 to 1.5 million each, for a total outreach of 1.7 million poor. These outreach targets, however, do not include that of the biggest MFI in the sample, which chose not to make an estimate, but whose 2012 outreach was already over a million. It must be noted, however, that about 90% of the current and target outreach of the Philippine SEPPS surveyed could be accounted to the segment of microfinance institutions.

It was also the Philippine sample of SEPPS that indicated a big potential for SEPPS to scale up their operations. When they were set up, the median size in terms of assets of the Philippine SEPPS was micro (USD70,000 or less). As of 2012, the median size of their asset base had already reached medium scale (above USD350 thousand to USD2.4 million).

These figures indicate that SEPPS have the potential of scaling up. Insights on how best SEPPS can be supported to scale up may be gleaned further from the results of this study. The most important challenges they face, the nature of their organizations and their revenue mix are informative.

Even as the Philippine SEPPS identified extreme weather disturbances as their number one external challenge, the most common challenge identified across countries had to do with government policies negatively affecting social enterprises. Other major external challenges were: industry/market practices negatively affecting social enterprises, the inadequacy of programs supporting social enterprise development, and corruption in government regulatory bodies.

The assessment of the internal challenges raised by the SEPPS needs to be nuanced not only in terms of country context, but more so in terms of the level of development of the SEPPS. In this respect, the Indonesian and, to some extent, Bangladeshi samples, provide insights on challenges faced by evolving SEPPS. On the other hand, the Indian and Philippine SEPPS surveyed – particularly with the long and detailed list of challenges cited by more than half of the respondents in the Philippine sample – provide insights for mature SEPPS.

For Indonesia, the top 3 challenges all have to do with the commitment and competence of people at various levels/roles – governance, leadership, management, and enterprise operations. Two-thirds of the SEPPS surveyed in Indonesia are still at the single organization/ no branches level (and as noted by the country team, 27% of the respondents could not clearly explain what their social enterprise type was), and leadership/ human resource capacities will be major factors as the SEPPS attempt to stabilize and scale up.

For Bangladesh, the top challenge raised was access to adequate financing. Such limitation is seen as restricting the SEPPS' capacity both to grow their enterprises and to expand their outreach among the poor. It should be noted that many of the surveyed SEPPS in Bangladesh do not charge for trainings, hence, inadequacy of financing could limit not only outreach but the level/ nature of services provided to the poor as well. Capacity development and management of people was a distant second in the list of challenges (cited by 23% of respondents vs. 57% for financing). Juxtaposed against the median age of the CEOs though, succession and the development of second-liners could soon become an issue among the Bangladesh SEPPS.

The “succession issue” was actually raised as a concern in the Philippine FGDs, and, similar to the other countries, capacity development and management of people/ leadership development were also raised. Aside from varied iterations of human resource concerns, the top internal challenges raised by Philippine SEPPS were: access to appropriate technologies (59%), achieving financial viability and sustainability (66%), measurement of social outcomes (as previously noted; 62%), effective and efficient operations management (56%), and access to adequate financing (56%). These run the gamut of functional areas that need to be managed effectively to ensure the SEPPS’ continued growth and impact.

The array of the challenges cited by the Philippine SEPPS can be linked to the increasing complexity of their operations. Interestingly, in terms of organizational complexity, the Philippines SEPPS sample showed that a significant percentage had evolved to become either multiple organizations or networks (25%) or single organizations with multiple branches and chapters (41%). The multiple organizational set-ups combined the forms of non-stock, non-profit corporations and stock, for profit corporations that allowed these SEPPS to simultaneously provide social inclusion, transactional and transformational services. Although a majority of the SEPPS financed their operations from internally generated funds (profits, surplus or revenues from sales), their having non-stock, non-profit corporations also allowed them the flexibility to generate grants to finance their social inclusion and transformational services.

The challenges identified by the Indian SEPPS surveyed have much in common with the Philippine SEPPS respondents in terms of range of concerns. This is not surprising as 80% consider themselves as developed and undergoing continuous innovation, a similar profile in terms of level of development as the Philippine SEPPS.

Across countries, majority of the SEPPS financed their operations from internally generated funds – from profits, surplus and revenues from sales. What was also noteworthy was the mix of resources they used to set up their social enterprises and to finance their services to the poor they serve.

To set up the SEPPS, the common sources of financing in all 4 countries, with some nuancing, were the personal and institutional investments of founders and owners as well as grants from development agencies or social investors. The India sample was distinct as the number one fund source for 62% of surveyed SEs was grants from development agencies or social investors. This was unlike the 3 other countries where personal and institutional investments of founders and owners was the number one fund source. Interestingly, loans and grants from government were only identified as sources of financing for very few SEPPS surveyed. It was only among 8% of SEPPS in Bangladesh that grants from government was identified as a source. Similarly, it was only among 12.5% of SEPPS surveyed in India that loans were identified as a source.

Across countries, grants continue to finance part of the extension of services to the poor – specially transformational and social inclusion services. In the case of Bangladesh, 87% of the SEPPS received grants. A review of the data on the total revenues or budgets vis-a-vis the revenues from sales of the SEPPS also showed that a number of the SEPPS had significantly higher total revenues or budgets compared to their revenues from sales.

SEPPS need to be assisted differently from MSMEs

One of the major insights from all these findings therefore is, SEPPS would need to be assisted differently from purely market-oriented, for-profit private organizations in the formal economy –such as micro, small and medium enterprises (MSMEs) -- to hurdle their transition from emerging to developed SEPPS. This does not mean that SEPPS cannot, or should not, be provided relevant support that is made available to MSMEs in their respective countries, whatever such support may be. Social enterprises at the micro, small and medium scale are engines of the economy in the same way that the broader set of MSMEs is, and are subject to the external and internal challenges that any enterprise at whatever level of development is subject to. Social enterprises will also benefit from financing and technical assistance, along with the promise of smoother bureaucratic processes that typically comprise government assistance to MSMEs.

Beyond this though, it should be recognized that social enterprises have multiple bottomlines, with financial sustainability as supportive to the social bottom line. Social enterprises, or SEPPS in particular, are responding to failures of state and market institutions to meet the needs of the poor, and are also striving to change states and markets to be more responsive, ethical and fair. In this respect, SEPPS cannot simply be like ordinary micro, small and medium enterprises that accept and adjust to certain industry, market or state practices such as unfavorable and unethical terms of trade or corruption in the procurement of goods or services, to survive. To ignore this about SEPPS is to deny their very essence as hybrid organizations that are striving to transform the poor and the context created by unfavorable state and market conditions that are marginalizing them to begin with.

WEL and SEPPS

Given that women's participation in the economy and women's comparatively lower returns from such participation remain critical issues in the countries covered, SEPPS are already playing a significant role in the social inclusion of women. The main challenge is for SEPPS to go beyond social inclusion and play a more transformative role in women's economic empowerment.

Cases in the countries covered that demonstrate the power of SEPPS as vehicles for the social inclusion and economic empowerment of women from poverty sectors include the Training Assistance and Rural Development Non-Government Organization (TARANGO) in Bangladesh, Mulukanoor Women Cooperative Dairy (MWCD) in India and the Center for Agrarian Reform and Rural Development Mutual Benefit Association (CARD MBA) in the Philippines.

TARANGO (Bangladesh) has organized and enabled 21,000 women artisans to engage in sustainable economic activities related to the export of handicrafts. TARANGO provides credit, marketing support and trainings not only to improve the women's skills and products but also to raise their awareness on gender issues and concerns.

MWCD (India) has engaged 111 village cooperatives encompassing 21,000 women as suppliers and owners of the SEPPS. It has successfully created opportunities for 1,100 rural women to occupy leadership positions in their village level dairy cooperatives and 12 women leaders to lead the MWCD at the higher level.

CARD MBA (Philippines) was organized and enabled by CARD to be 100% owned, governed and managed by the *Nanays,* referring to the mothers from disadvantaged socio-economic classes who comprise the member-clients of the microfinance institution, numbering 2.5 million. As of February 2013, CARD MBA had 940 democratically elected MBA coordinators, 256 staff and 41 provincial offices, with assets of USD116.2 million and over 8 million insured individuals.

On a broader level, the survey among SEPPS in 3 of the 4 countries indicated that women rank high in the outreach of SEPPS surveyed. Women, including disadvantaged women are in positions of leadership and management. Women are being provided access to economic resources in the form of financial capital, knowledge, skills, markets and networks. These are good indications that overall, these SEPPS are playing an important role in the social inclusion of women and providing them economic resources and opportunities to become participants in markets and as decision makers in economic organizations.

However, the nature of the services and outcomes reported by most of these SEPPS, coupled with only a handful of SEPPS having conscious policies, programs and plans on gender and development indicates an overall weakness of SEPPS as effective vehicles for women's economic empowerment.

In microfinance institutions where marginalized women are the main target outreach, there may be some exemplary practices and clear strides in the development of women leaders. But on the whole, these microfinance institutions, even in the Philippines where they are more developed as SEPPS, still mainly engage these women in a transactional way. A level of individually-directed transformational services and social inclusion services are evident but group-directed transformational services need to be strengthened.

Group-directed transformational services is the key for women to be organized and have the capability to engage markets and institutions that promote gender bias and promote attitudes and beliefs that hinder women's empowerment.

As has been pointed out, one of the biggest challenges faced by SEPPS are industry and market practices as well as government policies and practices that negatively affect SEPPS. Clearly, SEPPS need to address these challenges that are negatively affecting both women and men among their marginalized stakeholders. In this context, SEPPS are playing and could play an even bigger role not only in providing transactional services for women among the poor to be assisted to become better workers, suppliers or clients in the market economy. More importantly, SEPPS are serving and could serve as critical providers of social inclusion and transformational services to women from poverty sectors, so that they can participate and gain power to transform these unfavorable industry and market practices, as well as government policies and practices that negatively affect SEPPS as a whole. By having a conscious women's economic leadership and empowerment agenda, SEPPS could further contribute to addressing the structural or systemic roots of gender-based inequalities in households, communities, markets, economies and other societal institutions.

SEPPS need to be engaged in a learning community to co-create a more conscious women's economic leadership and empowerment agenda, with the more developed SEPPS and conscious support institutions taking the lead.

Partnerships of SEPPS with civil society, state and business

In general, significant percentages of the surveyed SEPPS have forged partnerships with civil society, state and business actors. The nature of the partnerships range from financing to technical support, and from marketing support to joint advocacy efforts and information dissemination. Although there are variations in the predominant partner group across countries, there is much room to significantly increase and enhance partnerships between SEPPS and civil society, state and business organizations.

Although Philippine SEPPS had partnerships with government and the private sector, the predominant group for partnerships were with other social enterprises and civil society organizations, even for financing and marketing. Such partners accounted for around 50% of the partnerships forged by the surveyed SEPPS.

In Bangladesh, partnerships pertain mainly to funding, with project donors and NGOs cited as main partners by 50% of the SEPPS. Thirty to thirty seven percent (30-37%) of the SEPPS surveyed cited partnerships with government and business.

Government, civil society, and the business sector were mentioned almost at par as partners but only by 22-26% of the Indonesian SEPPS surveyed.

Eighty percent of surveyed SEPPS in India partner with government. However, it is noteworthy that, in the list of external challenges, the relationship with government figured prominently, i.e. "government policies negatively affecting social enterprise" as top external challenge, and "partnership and collaboration" issues with government mentioned by a couple of respondents. These underscore the challenges of navigating partnership-building with government, particularly on social enterprise, which is directly linked to poverty alleviation.

Strategic partnerships with civil society, state and business organizations need to go beyond bilateral relationships with specific SEPPS. Platforms like those pursued by SEPPS and their support institutions in the Philippines provide good examples of initiatives to create an enabling environment for SEPPS to flourish.

RECOMMENDATIONS

Build a strong learning community among SEPPS and support institutions

Based on the study, SEPPS and their support institutions would need to develop a strong community, where knowledge creation, capacity development, learning exchange and partnership building are core programs. These programs need to systematically address the key internal and external challenges faced by SEPPS to develop and scale up their impact as key actors in poverty reduction and women's empowerment.

Such a learning community within and between countries in Asia is central in harnessing the potential of increased partnerships between SEPPS and civil society, state and market institutions. Learning exchanges would provide vital inputs in the service of policy advocacy both at the national and regional levels, continued education for social entrepreneurship practitioners and support institutions, and awareness-building among various publics.

The research provided indications of vital areas for action research and learning exchange. One such aspect is social impact measurement, which has been highlighted as one of the more important challenges faced by SEPPs. Support institutions need to invest in helping develop capabilities in measuring social outcomes and impact and building a community of practice addressing this weakness.

A WEL framework and agenda for SEPPS, is another crucial area for continuing research and learning exchange. This should translate to gender transformative organizational policies and practices among participating SEPPS. This is especially important given that the integration of a conscious women's economic empowerment framework has been indicated as a weakness in the overall practice and future plans of most SEPPS. In this respect, there is a need to more closely examine gender differentiation in roles, access to resources, opportunities and challenges in the SEPPS sector. A related aspect for research and learning exchange would be the impact of the heightened economic role of women in the household and the community, as they are enabled to become leaders and members of SEPPS. This includes an assessment of unintended negative outcomes of their participation in SEPPS, and how they can be helped through this evolution. Future analytical work also needs to delve more deeply into cultural and political factors including women's legal rights and access to resources like land, limits on which can constrain their capacity to effectively lead and participate in SEPPS. Cultural factors such as the influence of religion on women's economic empowerment in Indonesia or the caste system in India are examples of what may be constraining women's participation and leadership in SEPPS.

Another area for research and learning exchange given the challenge of financing for the emerging sector is exploring the potentials for remittances from overseas workers to be tapped to finance the development of SEPPS. This may be a way for the sector to contribute to the discourse on migration and development as part of the Post-2015 Development Agenda building process. This theme is highly relevant for developing countries in Asia, and especially relevant for the four countries covered by the research, as they belong to the top 15 countries in sending migrants and receiving remittances.

A conscious WEL framework and agenda towards transforming markets and economies to inform the building of a vibrant SEPPS sector

There needs to be a paradigm shift – among all stakeholders – in understanding SEPPS as hybrid organizations. As validated by the research, SEPPS are not purely market, for-profit organizations – they are not just ordinary MSMEs operating in markets. SEPPS are agents of change in markets and in building plural economies. As such, they need to be assisted to build platforms for innovation and change to address the unfavorable industry, market or state practices and policies negatively affecting them and marginalizing the poor they serve.

Given the three types of services provided by SEPPS – transactional, social inclusion and transformational services – their effects and impact are also not limited to the economic sphere. As such, they also need to be assisted to effectively deliver all three types of services.

These insights need to be reflected in the conception of a conscious WEL framework and agenda for SEPPS.
Such a conscious WEL framework and agenda for SEPPS needs to articulate the importance of women building power in ethical markets, and to transform economies. This emphasizes not just the participation of women in current market economies that are biased against the poor, but the need for women to be supported in playing leadership roles to bring about a transformed economy via social enterprise as a major vehicle.

Such a conscious WEL framework and agenda for SEPPS needs to also address changing attitudes and beliefs to enable equal relations and partnerships with men in decision making, in the economic and non-economic spheres of life in households, communities and society as a whole and in collectively transforming markets and economies
As part of enhancing the framework and practice of WEL, there is a need for SEPPS to effectively address external constraints and challenges impinging on women's participation beyond their respective social enterprise organizations.

These may include engendering programs to more effectively overcome systemic or practical constraints stemming from social norms and gender-specific challenges. They may also include addressing legal and institutional constraints for women to become effective economic actors as leaders and stakeholders of SEPPS. For example, the apparent weakness of SEPPS surveyed in Indonesia to harness the participation of women may need a more nuanced understanding of the social norms and gender specific challenges of women adhering to and practicing Islam as a religion.

SEPPS could also become more conscious in exploring and optimizing opportunities that work for women's empowerment, beyond where they are situated. Strengthening innovation and the use of appropriate and gender-responsive technology, including information technology is a way forward. Exploring investments or diversification strategies with the potential to provide major and not just supplementary sources of income for women in strategic economic subsectors that create more value, have more potentials for growth and are consistent with building the sustainability and resilience of communities is another way forward. MWCD's (India) successful initiative to become a major player in the dairy subsector to overcome its sluggish growth as a women's savings and credit cooperative is noteworthy. Likewise, TARANGO's (Bangladesh) planned diversification strategy from the handicrafts subsector to the organic food subsector is an exciting proposition that has interesting possibilities for their women stakeholders. Bote Central's (Philippines) innovation and introduction of community-based coffee roasting and processing technologies opened the doors for the entry of women and communities as processors and retailers of coffee, beyond being producers of coffee beans.

Develop strategic partnerships between SEPPs and civil society

Social inclusion and transformational services are the strength of civil society organizations. Strategic partnerships between SEPPS and civil society organizations would go a long way in delivering more of these services to a majority of SEPPS stakeholders among the poor. This is particularly important given that microfinance organizations and cooperatives, a big segment of SEPPS, and new generation social enterprises, a growing segment of SEPPS, may not have the internal capabilities to deliver such. On the other hand, if cooperatives, microfinance institutions and new generation social enterprises pay for these services, civil society organizations that are facing the reality of grant sources drying up, could be assisted to develop their own income streams from service fees towards becoming more financially sustainable.

At the same time, many of the external challenges faced by SEPPS, such as extreme weather disturbances, government policies and practices negatively affecting the sector, enacting legislation and platforms that would recognize and support SEPPS as partners in poverty reduction and unethical industry and market practices, entails a movement for social entrepreneurship that needs to involve a wide array of civil society organizations. This includes civil society organizations that are active in disaster risk reduction and climate change, ASEAN integration, migration and development, gender and development, the Post-2015 Development Agenda building process, and other platforms addressing poverty, inequality and sustainable development.

Pursue transformational partnerships between SEPPS, government and business towards scaling up impact on the poor

If government and business institutions are to assist the scaling up of SEPPS, they will need to recognize the importance of SEPPS as change agents and their nature as hybrid organizations straddling the market and non-market, the public and private spheres of the economy. As such, government and business institutions need to recognize the need to change the policies and practices that have not worked in favor of the poor and be willing to undertake strategic innovations to support the scaling up of SEPPS.

For government to play the role as transformational partner of SEPPS and the poor, the stakeholders' version of the Poverty Reduction through Social Entrepreneurship Bill now pending in both houses of the Philippine Congress provides a good starting point for discussion. The bill outlines how a government in a developing country context such as the Philippines can play a developmental, and not just a regulatory role, in nurturing the sector to scale up its impact on the poor.

With the business sector, strategic innovations that link support for SEPPS to broaden and deepen the concept and practice of corporate social responsibility programs (CSR) may be worth exploring. Inclusive businesses could link their engagement with the poor as clients, suppliers and workers to their CSR programs to enable their support for much needed transformational and social inclusion services. Businesses could also help social enterprises adapt and utilize technology, including information technology, for more efficient operations, service delivery, and monitoring of performance and outcomes.

At the same time, strategic partnerships with business organizations such as inclusive business and impact investment platforms could go one step further by developing a more comprehensive support program for SEPPS so that they could be assisted to deliver not only transactional but also social inclusion and transformational services to the poor as stakeholders in value chains.

Set up and support strategic platforms to develop SEPPS as major vehicles for innovation and poverty reduction

To create impact, partnerships between SEPPS and civil society, government and business cannot just be bilateral or single project engagements, but strategic platforms for change such as what Philippine SEPPS have initiated.

In the Philippines, a systematic effort to give recognition and generate support and incentives for SEPPS has given rise to a lobby by the Poverty Reduction through Social Entrepreneurship (PRESENT) Coalition for a PRESENT Act. The PRESENT platform proposes the development of strategic economic subsectors that have potentials for growth and where the poor are concentrated or could be major players. By supporting SEPPS with programs and incentives in this context, the poor could be assisted to benefit the most from subsector growth.

Also in the Philippines, a platform called Reconstruction Initiative through Social Enterprise (RISE) that seeks to develop partnerships with government, business and civil society to address the infirmity of government's platform to engage the poor and address poverty in Haiyan-devastated communities has been set up. Strategic initiatives such as the proposed PRESENT Act and the RISE need to be better supported as important pilot platforms for innovation and change.

SEPPS and their support institutions in each country and sub-region will need to define appropriate platforms for innovation and change based on their own contexts. The objective of these platforms could generally be to create an enabling environment and an ecosystem of support for the development and growth of SEPPS.

A vibrant SEPPS sector as key actor in a Post-2015 Development Agenda and Process

Recognizing the very modest gains and weaknesses in achieving the Millennium Development Goals, the UN system has embarked on a process of crafting a Post-2015 Development Agenda. This evolving Sustainable Development Goals (SDGs) calls on the international community to transform economies, eliminate poverty and achieve gender equality by 2030. Poverty reduction through social entrepreneurship, or building a vibrant sector of SEPPS as partner in poverty reduction in developing economies, the contours of which are outlined by this study, is consistent with the call for new global partnerships and innovative strategies to achieve this ambitious Post-2015 Development Agenda.

The First Social Enterprise Advocacy and Leveraging Conference in Asia (SEAL- Asia) Conference initiated by ISEA and Oxfam in November 2014 was a step towards building a platform supportive to developing the SEPPS sector in Asia. Taking into account the results of this study, the participants of SEAL-Asia committed to "building a vibrant social enterprise sector empowering the poor as stakeholders in sustainable, inclusive, and gender-transformative economic development." The following thrusts were outlined:

- Build a strong learning community of SEPPS and support institutions to effectively address common internal and external challenges of social enterprises;
- Strengthen the integration of women's economic leadership and empowerment in social enterprise development and social entrepreneurship initiatives;
- Build sustainable social enterprise models and resilient livelihoods as part of disaster risk reduction and climate change adaptation in local economies;
- Engage civil society organizations as strategic partners in increasing the scale and depth of impact of social enterprises among the poor;
- Engage schools, universities, knowledge institutions and media as partners in education, research and advocacy of social entrepreneurship.
- Engage the business sector and impact investors as transformational partners in co-creating social enterprise and inclusive business models; pro-poor investments and gender-sensitive value chains; innovative corporate social responsibility programs; and platforms for building ethical and Fair Trade markets; and
- Engage local and national governments and inter-governmental bodies at the sub-regional, regional and global levels to work for an enabling policy environment and ecosystem, including innovative Official Development Assistance (ODA) platforms, supportive to building a vibrant social enterprise sector as a key element in the pursuit of a post-2015 Development Agenda.

As indicated by this study and validated by key practitioners of social entrepreneurship in the region convened during SEAL-Asia, social enterprises can and do play a major role in poverty reduction and women's empowerment in Asia. Not only do they have the potential to grow in a big way but could become key players in transforming developing economies in the region. The main challenge is mindset change for civil society, business and government that leads to investment and co-creation of a vibrant social enterprise sector. That way, social enterprises can be a major factor in shaping and realizing the Post-2015 agenda for ending poverty, achieving gender equality and `all the agreed sustainable development goals.

ANNEX A: Selected Social Enterprises Featured as Caselets in Country Reports[27]

BANGLADESH

Aarong was organized in 1978 by BRAC, which was exploring different ways of promoting livelihood among the poor that would also help fund BRAC's social development programs. In 1976, BRAC had established the Ayesha Abed Foundation, where women workers produced handicrafts which were then sold through a handicraft shop. However, the shop bought the handicraft items on credit and paid the foundation only after the items had been sold – an arrangement which prevented the artisans from being paid quickly. BRAC/the foundation then decided to take on the responsibility for the entire business, from production to sale, leading to the idea for the Aarong gift shop. With no experience in running a shop, and faced with the challenge of creating a market in the difficult post-war period, BRAC was helped by the Mennonite Central Committee (MCC), which had some experience in this field. The MCC also funded Aarong for several years, until the latter attained financial sustainability.

Aarong, dedicated "to bring(ing) about positive changes in the lives of disadvantaged artisans and underprivileged rural women", has since grown into one of Bangladesh's biggest retail chains, with 11 stores across the country and one in London, UK. It also has 13 Ayesha Abed Foundation Centres in 13 districts, with 624 sub-centres in villages, catering to over 1,000 artisan groups and entrepreneurs. These centres now employ over 35,000 people, 60% of whom are women. Furthermore, Aarong provides livelihood for over 65,000 (80% women) artisans and their families, thus directly benefiting around 320,000 people. It also purchases the products of 800 producers who employ around 25,000 workers.

Aarong supplies raw materials to its producers and gives 12% mark-up on the aggregated production cost including cost of raw materials, labor cost and carrying cost. It provides low-interest loans to its producers and pays the producers on the spot. The wages of the male and female workers are the same. Aarong provides training for the workers to develop their skills. Workers also get all the benefits of BRAC's social development programmes.

Hathay Bunano Proshikhan Society (Hathay Bunano) is a social enterprise aimed at creating flexible employment opportunities for rural women in Bangladesh, while making a profit. It manufactures soft crocheted children's products. Hathay Bunano was started by a young couple of British and Bangladeshi origins in 2005 with a personal investment of only $500. The CEO taught crochet designing and knitting to rural women in a village and established a production facility there.

Initially, Hathay Bunano produced for the brands and shops in different countries. Recently, they introduced their own brand 'pabble child' and have started selling products under this brand name. Today, Hathay Bunano employs 3,500 women across a network of 32 rural co-operatives, and sells 30,000 products per month in 33 countries including the US, UK, Australia, Europe and Bangladesh. Hathay Bunano maintains international standards of production compliance in all its production and finishing facilities including materials sourcing. The enterprise believes that its success can be attributed to attractive ("cool") design, high quality material, finishing and stringent quality control.

Hathay Bunano has established rural production centres that can accommodate 50-100 women. The women come to these centres for several hours a day and are paid on a piece-

[27] The full caselets are in the respective Country Reports.

rate basis. The centres have nursery facilities for children and plan to provide health care facilities for its workers.

The enterprise invests a portion of its profit in training of new women and providing them with income opportunities. Aside from training on embroidery, Hathay Bunano also provides women with training on bookkeeping and the English language. The enterprise believes that the creation of “flexible jobs” for the women in the communities prevents migration of rural poor to the cities.

The enterprise works with the Centre for the Rehabilitation of the Paralyzed (CRP) in both Savar and Mymensingh, and employs women with disabilities.

Prokritee is a service-based agency that provides managerial, product design and development, and marketing assistance to organizations in Bangladesh. Prokritee manages 8 handicraft enterprises and helps other groups to sell their products in local and foreign markets, upholding Fair Trade standards.

Prokritee has its roots in a handicraft production project started by the Mennonite Central Committee (MCC) in 1972 as an income generation opportunity for stranded Pakistanis living in refugee camps. The project later expanded to other parts of the country and beyond the refugee camps. From 1977 to 1999, 8 production centres or enterprises were set up. Prokritee was created by MCC in 2001 to independently manage the 8 production centres under a single management and organizational structure.

Prokritee has a vision of income generation and empowerment for women. Its mission statement explicitly states that it will hire women who are heads of households, have little or no income, and have few or no assets, with focus on women in the rural areas.

Prokritee claims to be the largest handicraft exporter in Bangladesh. Approximately 930 women work in Prokritee’s production centres, 30 of whom are from indigenous communities. Prokritee supplies the raw materials and equipment for production. It does not have a micro-credit business with the artisans, but it provides interest-free loans and financial assistance to the producers. Its production centres are located within the villages and have facilities for children who are brought along by their mothers.

Prokritee also works with some individual handicraft producers who act as suppliers. Many other people work as suppliers of raw materials and in the backward linkage businesses.

Prokritee was funded by MCC for a long period. Recently, it has become self-sufficient and is making surpluses from its business.

Tarango (Training Assistance and Rural Development Non-Government Organization) organizes and trains the most disadvantaged women to enable them to engage in sustainable economic activities. Tarango’s main enterprises are handicrafts and micro-credit.

Formally established in 1989, Tarango traces its origin to 1972, when a German missionary and German volunteers worked with an organization named Deepshikha to help ethnic groups in the region producing handloom textiles and jute handicrafts sell their products in Germany. Over time, and with a stronger focus on quality, the export volume grew and the handicraft section was spun off as Tarango. Tarango now exports not only to Germany but also to the United Kingdom, Australia, Canada and Spain.

TARANGO says that it has so far provided supplemental income to women – not the main source for the household. It benefits women in terms of providing an opportunity to work near the home that enables them to earn higher income compared to similar work. TARANGO develops local skills in handicrafts and empowers women. It promotes savings, small business and entrepreneurship among the artisans, provides them with trainings, and links them with the market. It has a micro-credit programme to provide capital for the women to support their production of handicrafts. Trainings are provided on gender issues, and on skills and product development. In addition, TARANGO supports the education of the children of the artisans. Tarango also runs a shelter home called “Asroy”.

TARANGO is now working with 21,000 artisans and is thinking of expanding into the organic food sector in the near future. They are also experimenting with banana fiber, working with buyers and experts.

TARANGO says that it has been a “producer-oriented” enterprise, not a “client-oriented” one. However, with market and other external challenges, including political unrest and the economic recession, they believe that they need to become more market-oriented.

Waste Concern was founded in 1995 by two young professionals specializing in urban planning and architecture who wanted to help solve the waste problem. With their own funds, they set up a pilot project to develop and market products from waste (such as organic manure) and were able to get support from the Ministry of Environment and Forest (MoEF). The project was later replicated with UNDP/ UNICEF support in other areas of the country.

Waste Concern later established Waste Concern Consultants (in 2000), Waste Concern BARAKA Agro Products Ltd.(in 2006), WWR Bio-Fertilizer Bangladesh Ltd.(in 2005) and Matuail Power Ltd.(in 2005), which are for profit wings of the Waste Concern group.

Through its various entities, Waste Concern has processed 124,400 tons of organic waste and produced 31,100 compost benefiting 2.9 million people, reduced 17,000 tons of Green House gas, created jobs for 986 urban poor and saved a landfill area extending 33.12 acres and 1 meter deep.

INDIA

The **Impulse Social Enterprises (ISE) Pvt. Ltd.** is a stock, for-profit corporation registered in 2010 to help provide livelihood opportunities to women in north east states who fall prey to human trafficking due to the lack of livelihood possibilities. ISE empowers the rural artisans, particularly women, to become independent entrepreneurs making products with traditional designs from local raw materials.

The ISE works with indigenous people who are traditional artisans, and helps them produce bamboo and textile products. Major services provided are training and skills-building on design and marketing of the handicrafts and textile products. In the last four years, it has trained 650 women and 50 men and brought them into the value chain. The products, including scarves, table mats and handbags, are marketed to individuals and corporations, and through retail stores.

The ISE has created an exclusive centre, called the Empower Resource Centre, to cater to the needs of the artisans, train them, and build their skills on new designs. Experts visit the centre to train the artisans in textiles and weaving techniques, and work with artisans to develop designs and products which are marketable. The centre also links the artisans with national and international buyers for direct and sustained marketing. The centre takes care of quality control, logistics and supply chain management. Artisans' annual income have reportedly increased by as much as USD 156.

The initial investment of the ISE was from the personal investment of the founder, which was USD 15,625 (INR 1,000,000). The production of goods is sustained from surplus generated from sales.

The **Mulukanoor Women Cooperative Dairy (MWCD)**, with almost 100% women membership, was established in 2002 as a cooperative in Bheemadevarapalli, Karimnagar district, Telangana State, India. The pioneer women members had been running savings and credit cooperatives to meet their financial needs. By 2000, loan demand from members was low, and the women felt the need for more productive investments. The Cooperative Development Foundation (CDF), which was assisting the women, found via a field study that there was a big market for milk. To tap this opportunity, the members of the savings and credit cooperatives banded together to form the MWCD.

The MWCD now covers 111 Village Cooperatives, encompassing 21,000 women who are both suppliers and owners of the enterprise. There are also non-member clients for the MWCD services, for a total of 55,000 clients, almost all women.

The MWCD sells both fresh milk and processed milk products. The cooperative provides its members with trainings and skills development, and also financial services such as savings, credit and insurance. It provides support for the collection of milk, selling of fresh milk and processed milk, and other milk products. It has its own milk processing unit, currently processing 75 kilos of milk per day. It has opened its own outlets for selling the milk to customers in urban areas.

MWCD's business model contributes to social impact. The model's elements are: limiting the radius of milk procurement (thus ensuring quality and keeping costs down), concentrating the market to nearby locales, and employing staff from the local areas. Another generator of social impact is institution building, which involves savings mobilization among members, capacity-building, setting and monitoring of performance standards for members and leaders of the cooperative, and distribution of surplus to members.

The members benefit in various ways – through good prices for their milk, incentives (a total of USD 1.53 million has been distributed to the members over a period of 10 years), and life insurance for all members and their spouses, among others. The SE has also created opportunities for about 1,110 rural women to occupy leadership positions in their village level dairy cooperatives and 12 women leaders to lead the MWCD at the higher level.

The MWCD started with an initial investment of USD 8,125 and a loan of USD 509,062 from other cooperatives. It is now a large enterprise with reported assets within Rs 100 – 500 million (USD 1.56 to 7.8 million). Annual revenue is in the Rs 500 million to 1 billion (USD 7.8 to 15.6 million) range, with annual net income within Rs 15 million to 30 million (USD 260 to 520 thousand).

SADHNA, based in Udaipur, Rajasthan, West India, started its operations way back in 1988 and was eventually incorporated as a women's handicraft enterprise in 2004 by SEVA Mandir, an NGO in the area. Sadhna aims to provide women from the rural and urban slum areas of Udaipur with an alternative means of income generation, seen as a primary tool for empowerment. A secondary goal is to support the women's socio-political standing.

The major enterprise projects are the production of silk fabrics and marketing of lentils and pulses. Sadhna has reached 657 women artisans who are registered as formal members in the SE; the artisans are organized into 46 groups with 15-20 members per group. Out of the 46 groups, there are six tribal groups with 105 artisans, and 7 groups for stitching with 71 women.

Regular training and skills development programmes are offered. Sadhna also offers financial services such as a provident fund, widow pension and interest-free loans. Product development and marketing services are also offered through new design interventions with external designers, new customers, participation in exhibitions, etc. In addition, basic services such as educational scholarships and insurance are provided to all eligible family members of the women.

Sadhna's net fixed assets were USD 350,000 as of 2013. Sales in the amount of USD 548,961 were generated in 2013. Total net income for the last five years was USD 209,375

Sadhna has had partnerships with the National Bank for Agriculture and Rural Development (NABARD), the World Bank, ILFS Skill School, SEVA Mandir, Friends of Women World Bank, and the Tribal Cooperative Marketing Federation of India. Ltd. These partnerships have provided access to different services related to skills-building, marketing support, financial assistance, and brand-building.

The women artisans engaged by Sadhna have reportedly increased their annual net income from USD 7.8 to USD 78.1 for hand work artisans, and from USD 31.25 to USD 125 (machine work artisans). Sadhna's work has also brought noticeable change in the lives of the artisans, who once were not even exposed to their own villages. These artisans are now confident in making decisions for their families as well as in different socio-political groups. Economic empowerment has also created a marked difference in their awareness towards education, health care, social status and family life.

The **Shanarpatty Vattara Kalanjiam (SVK)** is a women Self Help Group (SHG) Federation promoted in one of the rural blocks in Tamil Nadu, South India by DHAN Foundation, a national NGO with focus on poverty reduction through facilitation of community banking among poor women.

Established in 2002 as a non-stock, non-profit federation, the SVK provides an array of livelihood and non-livelihood services to 8,465 women and 2,250 adolescent girls. It offers microfinance products related to savings, credit, equity financing and insurance. In addition, it facilitates poor women's access to financial assistance for livelihoods, asset creation, health care and education of their children. The SVK has developed community members' capacities in livelihood activities like dairy farming, terracotta product making and tamarind marketing. Major non-livelihood projects include an anaemia control programme (covering around 20,000 households), sanitation and safe drinking water for all, and a community college.

The SVK engages three kinds of poverty groups: (i) farmers, (ii) agricultural workers, and (iii) the entrepreneurial poor. Through their involvement in the SVK, these groups have achieved estimated annual net income increases of USD 156 to 312 among the farmers, and USD 78 to USD 125 among the agricultural labourers and entrepreneurial poor. The SVK also provides products and services such as life insurance, health insurance, health literacy, awareness on children's education, and business skills building.

The SVK organized the 8,465 rural poor women into 470 SHGs. Community capital has been created through the savings of the poor women, reaching USD 1.29 million. This has been seen to create a feeling of economic security among its members, breaking the myth of 'the poor cannot save and are not bankable'.

The SVK is a medium-scale enterprise with above USD 115,313 (INR 7.38 million) in assets built up through microfinance activities. Annual revenue is around USD 46,875, with an annual net surplus within the range of USD 1,563 to 7,813.

INDONESIA

ASPPUK provides financial services to 25,678 members in 1,001 villages in 64 districts/ cities throughout the country. ASPPUK has its roots in a 1994 meeting of NGOs involved in women empowerment, where a national forum called YASPUK was formed. This initiative eventually led to the formation of ASPPUK, whose vision is the “Realization of strong and independent Women in Micro-enterprises (PUK-Mikro), in a democratic, prosperous, egalitarian, equal and gender-justice society”. Its mission is “to become a facilitator for the establishment of a PUK-micro movement, based on gender equality and justice, and to build access of PUK-micro control as economic resource.”

With the vision of strong women engaged in micro-enterprises, ASPPUK helps women through various activities -- like organizing regular meetings, lending, advocacy, training, workshops, comparative studies on market and basic commodities, regular social gatherings and training courses. Members have engaged in a wide array of micro-enterprises, including traveling or market sales, tailoring, decorating *dais* for newlyweds, beauty parlors, agriculture and livestock, and home industry like weaving, batik painting, and even workshops, which in Indonesia are typical for men.

ASPPUK’s organizational structure provides for member representation at the regional and national levels.

ASPPUK has grown extensively by promoting the JARPUK association, which covers regions of Sumatra, Nusa Tenggara, Kalimantan and Java. ASPPUK’s 25,678 members are gathered in 1,036 women small enterprise groups (KPUK) and 64 women networks at the district/city level.

Bank Sampah (Depok Rubbish Bank) was organized by Yayasan Semai Karakter Bangsa to respond to the rubbish problem in Depok. The Rubbish Bank recycles existing plastic rubbish or rejected plastic packings, and in so doing promotes the quality of the environment. Rubbish Bank works with women in collecting rubbish which can be classified and exchanged for money. The collected rubbish is then sold to factories or made into handicrafts and other articles.

Aside from paying the women for the rubbish turned in, the Bank helps them build up savings when they are able to supply a minimum of 1 kilogram monthly. The Bank also trains the women in aspects like banking management and processing of organic and non-organic rubbish.

The Rubbish Bank now has 107 rubbish banks under its guidance with 4,600 clients, and a rotation of Rp 80-100 million (around 6,500 to 8,000 USD) monthly. It can manage up to 900 tons of rubbish monthly in 11 sub-districts in Depok.

The **Livestock Village** traces its roots to 1994, when *Dompet Dhuafa* dispersed animals for an annual religious offering in poor areas in Indonesia, called *tebar* (spread or dispersal). In 1997, this led to a program called Tebar Hewan Korban (dispersal of animals for offering), which was synergized with a program for empowering breeders to prepare animals for offering in target areas. This continued till 2002 and expanded to Ternak Domba Sehat (TDS) (livestock of healthy sheep), which includes breeding, multiplying and trading.

The Livestock Village was established in 2005 to provide more professional services to the breeders. It was envisioned to act as the lead in the livestock business, empowering breeders, developing social entrepreneurship for community livestock, developing a first class network of people's livestock enterprises in Indonesia, and managing a livestock business for profit.

At present, the Livestock Village involves 1,475 households all over Indonesia.

Mitra Bisnis Keluarga (MBK), established in 2003, is the largest replica of the Grameen Bank model in Indonesia. The vision of MBK is to provide working capital to women and low-income families and increase the income and the living standard of the family. MBK workers are mostly women in the agricultural sector. The customers are mostly farmhands, who do not have their own land, but are active in small scale trading, or become farmers or breeders.

MBK has modified the Cashpoor index to Indonesian conditions as a method for evaluating households for extension of loans. Customers are organized into self-chosen groups of 5 women, who link up with 4-5 other groups in a greater group whose members all help one another. Staff visit groups of customers, not waiting till the customers come.

MBK has two main products. The Basic Working Capital product is a loan, between Rp 1,500,000 and 2,000,000 (around USD 130 to 175), repaid over 50 weeks in weekly meetings of the groups. The women form a common enterprise among themselves in order to promote a common business and to share information. In 2002, the product was revised to follow the service approach of Sharia banking, according to religious financial principles, supervised by the Sharia Supervisory Council. The Little Enterprise Working Capital loan is for little enterprises, which in the future will be adjusted to groups of customers, who are not yet served by the formal banking sector and are still dependent on loans from relatives and usurers.

MBK now has 1,487 employees and 330,466 customers, 322.728 of whom are women. Its working capital has reached Rp 434 billion (around 38 million USD). The capital risk rate is only .004%.

MBK utilizes a computerized banking and financial information system and an accounting administration for loan system, which can be accessed via an integrated branch network. This system can produce paying schedules, outstanding balance, and other financial data at the customer, branch and national level.

Yayasan Kuntum (Kuntum Foundation) was organized by a mother named Tatiek Kancaniati, who wanted to change the living condition of her village. Kuntum Foundation organized training in paper recycling, mute akril**,** embroidering ribbons, wheat variations, and in organizing religious services. It developed quickly when it organized a tourism village business in Tegalwaru, involving community members, which soon attracted many visitors. Another major enterprise arose from Tatiek's recognition of the potentials for coconut waste to be converted to briquettes, which can be sold by the local people. Since the establishment of Kuntum Foundation in the community, many industries have begun around products like machetes, *jilbab* (headscarves), jelly, donut, *kerupuk* (crackers), California papaya, crystal guava etc.

The largest project is the tourism village in Tegalwaru, where visitors are able to enjoy a village atmosphere while seeing production processes in existing home industries. The "multiplier effect" is high, involving *ojek* (motorbike taxi)-drivers, *hansip,* rice shops and vendors of fried goods; the foundation estimates that around 40% (around 3,000) of the village residents are involved in the enterprise. Tegalwaru village is visited by more than 6,000 people, including school children, PKK members, *taklim* councils and business people. The village has a turnover of 2 billion rupiah (around USD 170,000).

PHILIPPINES

Alter Trade Foundation, Inc. is a pioneer in fair trade and people-to-people trade in the Philippines. They are known for their social enterprise model of empowering asset-less sugar workers who became agrarian reform beneficiaries (ARBs) in Negros Occidental. Alter Trade assisted the transformation of these farm workers to become leaders and members of associations and cooperatives, that act not only as effective supplier communities, but as vehicles for community visioning, planning and development.

Starting in 1984 as a response to the plight of farm workers during the Negros sugar crisis, Alter Trade worked with Japanese solidarity groups to identify alternative products that the displaced sugar workers could produce and sell. Alter Trade Corporation was registered in 1987 to trade organic Mascobado (muscovado), then considered "the poor man's sugar".

Alter Trade Foundation was registered in 1997 to focus and intensify assistance to the farmers. It provides a comprehensive set of services to its partners – now numbering 349 small farmers (133 of whom are women) and 396 agricultural workers (185 of whom are women). These services include: 1) training/ capacity-building for partner ARB associations (such as free training on sustainable agriculture technologies, organizational development, finance, planning, monitoring and evaluation, gender and development, among others), 2) financial services (savings, credit, equity financing, micro-insurance), 3) product development and marketing assistance (e.g. on wine-making, high-value crop production, coffee, corn and vegetable post-harvest support, meat processing), 4) provision of new or appropriate technology, 5) community services (access to water, electrification, solar dryers, training centers, consumer stores), and 6) basic social services (scholarships, enrollment in Philhealth, the government health insurance system).

Alter Trade assesses that through the years, net monthly household incomes of partners have increased by around USD 120 to 240, helping them progress out of poverty. A study commissioned by Bread for the World in 2008 concluded that Alter Trade's intervention had directly moved 32% of their sugar partners above the poverty threshold; with the rest having moved from deep poverty to food sufficiency, from a baseline of 93.5% below the poverty threshold before their partnership with Alter Trade. In 2010, Alter Trade assisted the federation of their partner producer associations and cooperatives into the Negros Organic and Fair Trade Association (NOFTA), which now serves as a co-equal partner in advancing fair trade, sustainable agriculture and empowerment of small producers..

A 2009 Social Return on Investment study of ISEA on the impact of Alter Trade on their sugar farmer partners estimated a ratio of 1:13, that every peso invested generated a blended financial and social return of thirteen pesos.

As of 2012, Alter Trade Foundation had assets of more than USD 600,000.

Bote Central is a stock, for-profit corporation established in 2002 by an entrepreneurial couple with aims of saving the environment and using agro-forest products to promote sustainable livelihoods. One of the growing number of dynamic "new generation" social enterprises, it was first known for introducing the gourmet Alamid (palm civet) coffee in the Philippines, produced from beans that have fermented in the civet's digestive system.

Through the years, the business model/ marketing strategy for Alamid coffee has evolved, from an export focus to local market development. They also eventually realized that their reach in terms of number of farmer-partners would broaden if they ventured into regular coffee for brewing.

Through all these, Bote Central has adhered to fair trade principles in terms of their dealings with community partners. Working for and with the poor is an essential business element for Bote Central. Its pro-poor value chain intervention has directly reached scale in partnership with some 300 coffee farmers from different parts of the country. It provides partner farmers with services on skills development, product development and marketing support, and new and appropriate technology support. As part of its technology support, it has introduced community-based coffee roasting and processing facilities to support its promotion of a community based social enterprise model where coffee farmers, indigenous communities, out of school youth and women are stakeholders in the coffee value chain as suppliers and processors of coffee beans and retailers of coffee for brewing.

Bote Central's business model is called the "Chain of Happiness"; they want farmers and consumers to benefit as much as they could (i.e. "be happy") from coffee ... from "soil to cup" and from "cup to soil". Bote Central is a prime mover of the Philippine Coffee Alliance, which fosters partnerships between the various actors in the coffee value chain including the coffee-consuming public and coffee farmer-producers, towards scaling up impact. In partnership with the Philippine Coffee Alliance, their combined outreach among coffee producers has reached about 5,000. With an initial capital of of USD35,000 in 2002, their asset base by 2012 has reached USD250,000.

The **CARD-MRI (Center for Agriculture and Rural Development- Mutually Reinforcing Institutions)** is a network of 11 institutions providing different but complementary products and services to the poor all over the Philippines through its 1,491 offices, 204 branches, and 68 provincial/regional offices. It also has offices in Cambodia, Vietnam, Hong Kong, Laos and Myanmar.

CARD was established 28 years ago by a group of development practitioners, led by Dr. Jaime Aristotle B. Alip, with the aim of organizing, training and directing landless rural workers to plan, implement and evaluate their own livelihood projects. With a grant of USD20,000, CARD implemented its first project, providing technical training and credit assistance to 200 landless coconut workers in 1988. Despite rigorous monitoring, repayment of loans –whose payment terms were determined by the group—did not reach beyond 80%, leading the group to look for a credit model that would work. CARD first tried the Grameen Bank's solidarity group lending approach. It later switched to the ASA method which proved to be effective. CARD's membership grew rapidly, reaching 1 million by 2012.

To ensure it serves the poor, CARD MRI maintains guidelines for membership. New members are required to have a monthly income of USD36 or less and their marketable assets should not be more than USD3,500. CARD MRI also utilizes the Progress out of Poverty Index (PPI), a tool to ensure the targeting of clients below the poverty line, and to monitor their progress out of poverty.

Over the years, CARD has built institutions in response to the needs of its client-members, staff and partner institutions. The network now includes: CARD Bank which together with the CARD NGO provide microfinance services, the CARD Mutual Benefit Association, CARD-MRI Development Institute (CMDI) taking care of the capacity-building training activities of CARD, the CARD Business Development Service Foundation, Inc. (CARD BDSFI) which provides marketing assistance to members, the CARD-MRI Insurance Agency (CAMIA), the CARD SME Bank which provides loans to rural producers, the CARD-MRI

Information Technology (CMTI) which provides technology solutions, BotiCARD, the Rizal Rural Bank of Taytay, CARD Leasing and Finance Corporation, CARD Pioneer Microinsurance, Inc. (CPMI), and Responsible Investment for Solidarity and Empowerment Financing Company (RISE) which provides various financing services to poor women, as well as wholesale loans at an affordable interest rate to microfinance institutions, cooperatives, rural banks, and church-based organizations.

In all CARD MRIs, the *Nanays*, referring to the mothers who comprise CARD's member-clients, are assisted to become part owners or substantial owners, and are enabled to effectively participate as decision makers and managers. The Mutual Benefit Association (MBA) is 100% owned, governed and managed by the *Nanays.* As of February 2013, CARD MBA had 940 democratically elected MBA coordinators, 256 staff and 41 provincial offices, with assets of USD116.2 million and over 8 million insured individuals. At the same time, over 30,000 of the *Nanays* have become co-owners of CARD Bank. The *Nanays* are likewise represented as Board of Directors in the CARD NGO, CARD Bank and CARD SME Bank, and are observers in other Boards.

As of June 2014, CARD MRI was serving almost 2.5 million clients and 9.77 million insured persons. CARD-MRI's total assets were valued at PHP 11.7 billion (almost 280 million USD).

Gandang Kalikasan, a stock corporation founded in 2008 and which started operations in 2009, produces all natural beauty and personal care products. Annual revenue has now reached almost 1 million USD.

One of the NewGen social enterprises, Gandang Kalikasan started work with communities assisted by Gawad Kalinga, known for their volunteer-to-build-houses for the poor as a poverty-alleviation strategy. Currently, Gandang Kalikasan has partner supplier communities among citronella farmers, lemon grass farmers, and families who maintain demonstration organic farms.

With a tagline of "Only the good", Gandang Kalikasan's social enterprise trademark has three main elements:

Pro-Philippines: products are 100% manufactured in the Philippines; the company has an active and operationalized preference for using local products (e.g. lavender which is not grown in the Philippines is not used, while lemongrass which is widely-grown in the Philippines is used in a lot of products); raw materials and packaging are sourced from the Philippines even if these are cheaper abroad; raw materials are imported only if they are not available locally.

Pro-Poor: set up specifically to provide more livelihood to Gawad Kalinga (GK) residents and communities; employs GK residents as part of their full-time staff; provides a fair living wage and benefits to workers that are higher than those required by law; sources raw materials from poor communities; buying at fair, above-market prices from community-based suppliers, towards helping raise the quality of lives of farmers, their families and communities.

Pro-Environment: prides itself on using natural ingredients that are not contaminated with chemicals (despite there being no government regulation of the term natural); has defined its own set of standards for putting a "natural seal" on its labels, including the provisos that the ingredients must be biodegradable and must come from renewable resources.

As a social enterprise that is a stock corporation, Gandang Kalikasan has introduced innovations to engage the poor as primary stakeholders. With the minimum wage in the

National Capital Region (NCR) pegged by government at PHP480/day and lower in other regions, Gandang Kalikasan pays its workers living wages amounting to PHP750/day, whether they are in NCR or in their factory outside of NCR. Gandang Kalikasan also dedicates the profits from their best selling products to assist their supplier communities take over processing functions, and of late, to help build houses for Typhoon Haiyan-affected families. Gandang Kalikasan has an ongoing project with ISEA to introduce Social Return on Investment to measure its impact on the poor.

The **Omaganhan Farmers Agrarian Reform Cooperative** is a primary cooperative founded in 1989 with agrarian reform beneficiaries (beneficiaries of the land reform program of government) as members. Registered as a cooperative in 1992, the cooperative now has 3,574 regular members and 16,000 associate members in 3 provinces in Region 8. Sectors served include not only farmers but also fishers, small entrepreneurs and salaried personnel.

The cooperative offers a comprehensive package of support for empowering its members as seen in their "Participatory Rural Actions for Sustainable Poverty Reduction " program components: 1) Governance and Human Resource Development, 2) Financial Development and External Relations Services, 3) Facility Acquisition for Strategic Services Delivery, 4) Livelihood and Viable Enterprises through Learning Improvements, 5) Productivity Development in Agricultural Resource Optimization, 6) Health Enhancement and Life Insurance Needs for Grassroots Services, and 7) Environmental Improvements and Cooperative Actions on Reforestation.

From a start-up capital of barely USD 500 in 1989, the cooperative's assets grew to more than USD 3 million by 2012. Revenue in 2012 was around USD 738,000.

The cooperative's importance to members and as a development actor in the province was highlighted when Typhoon Yolanda (Haiyan) wrought massive devastation on the Philippines, including Region 8.The cooperative suffered a 60% dive in its loan portfolio, from PHP100 million to PHP40 million, and its repayment rate went down to 75%. Notwithstanding this, it undertook its share of relief operations and is engaged in developing a rehabilitation plan for itself and its members. It has also installed policies and measures for disaster risk reduction amidst extreme weather disturbances. It has already put in place a policy of setting aside .05% for every loan it approves for the setting up of a Disaster Resiliency Trust Fund, in addition to donations and grants it is mobilizing from institutional partners. It is also in the process of discussing food warehousing as a regular project to enhance food security during disasters.

ANNEX B: Highlights of Vision, Mission, Goals Statements of Surveyed Social Enterprises

	Bangladesh	India	Indonesia	Philippines
Vision	Most of the SEs do not have clearly written mission or vision statements. Of those who do, major concerns are to improve the economic condition of women and empower them.	Common themes: poverty reduction, socio-economic empowerment of women with self-dignity and respect, just and equitable society, promoting sustainable people organizations and communities	Social participation: 36% Financial access: 31%	Prosperous, ecologically sustainable/self-sustaining communities: 34% Social empowerment/Self-reliant or self-determining communities: 28% Poverty alleviation/ improvement of quality of life: 22% Gender equality, social inclusion, solidarity with marginalized: 22%
Mission	See above	Community banking, provision of financial and social services, building capacity of people's organizations	Social and economic affairs, e.g. producing crafts and managing environment-friendly products from waste	Local economic development/ sustainable development: 34% Poverty alleviation/ socio-economic improvement: 31% Empowerment of women and their families: 25% Enterprise development/ Sustainable enterprises: 22% Other socio-economic and financial services: 22% - recheck against report
Goals	On poverty sectors: poor, IPs, women, rural communities	Economic development of organizations/ members; Building women	Financial access for small enterprises: 31% Improvement of welfare of local	Capacity-building of member organizations/ staff/ workers/ members: 25% Increased outreach: 22%

	Bangladesh	India	Indonesia	Philippines
		leadership and governance; Development of sector, e.g. agriculture	communities: 27% Protection of natural environment: 20%	Financial viability/ sustainability: 16%

Examples of Vision and Mission Statements

Alter Trade Foundation (Philippines):

Vision: We envision an economic system that is socially just and ecologically sustainable rooted in self-reliant and self-determining rural communities.

Mission: To be a dynamic and innovative social enterprise geared towards alleviating poverty in marginal communities by enhancing local economies through sustainable agriculture and organic farming and fair trade.

CARD MRI (Philippines)

Vision: To be a world-class leader in microfinance and community-based social development undertaking that improves the quality of life of socially and economically challenged women and families towards nation-building.

Mission:

- Empower socially and economically-challenged women and families through continuous access to micro insurance, educational, livelihood, health and other capacity-building services that eventually transform them into responsible citizens for their community and environment;
- Enable the women members to gain control and ownership financial and social development institutions;
- Partner with appropriate agencies, private institutions, and people and community organizations to facilitate achievement of mutual goals.

Aarong (Bangladesh)

Vision: Aarong is dedicated to bring about positive changes in the lives of disadvantaged artisans and underprivileged rural women

Tarango (Bangladesh):

Vision: Establishment of a just and poverty-free society through women's empowerment.

Mission: TARANGO is a voluntary non-government organization which dreams of, and desires to, contribute to the establishment of a just and poverty-free society by organizing and training the most disadvantaged women through its committed, dedicated and skilled workers. It further aims to make the women resourceful, skilled and production oriented by assisting them to develop their human potential and talents to promote leadership and entrepreneurship in order to take up the responsibilities of sustainable economic activities to establish a self-reliant and gender-balanced society.

Mitra Bisnis Keluarga (Indonesia):

Vision: To provide access to working capital to significant numbers of low-income women in Indonesia, particularly in rural areas and small towns, in an honest, fair, timely and efficient manner.

Mission: To improve the living standards of significant numbers of the bottom 25% of households by income in Indonesia. MBK hopes to contribute to the government's goals of meeting the Millennium Development Goals, particularly in fighting poverty and empowering women.

ASPPUK (Indonesia)

Vision: To actualize women in strong Small Micro enterprise with stable and independent in democratic, welfare, egalitarian, and equal civil society

Mission: Establish PUK-Mikro movement based on fair and equal gender principle.

SVK (India)

Vision: Actively promote and support innovations in poverty alleviation for the development of rural communities
Mission: SVK will address the developmental needs of the poor through livelihood and income generating activities.

Impulse Social Enterprises (India)

Vision: Promotion of a just and equitable society and enabling individuals to live a life of dignity and respect.
Mission: ISE will develop goods, services and markets to promote sustainable livelihoods for those in need and will invest in other development organisations that advance human rights for all, particularly women and children. Through quality products and services that engage customers in social responsibility, ISE will seek profitability to ensure its long-term sustainability and realisation of its vision.

ANNEX C: Examples of Transactional, Social Inclusion and Transformational Services Provided to the Poor by Surveyed Social Enterprises

Transactional	Social Inclusion (Basic social services)	Transformational
Fee-Based		**Individual-Directed**
Wage-based employment of workers	Educational assistance for children of producer/worker/member (e.g. scholarships in formal educational institutions, other educational support)	Educational assistance for producer/ worker/member (e.g. scholarships in formal educational institutions, cash subsidy for education)
Contractual or output-based (e.g. piece-rate) payment to producers	Health assistance/ medical support	Formal or alternative school system for adults and OSY
Commissions to sales people	Trainings on health and maternal and child care	Training on gender issues
Loans, Sharia loans (interest-free), Micro-credit, Micro-insurance	Safety net programs (e.g. insurance that is paid for by a third party)	Training/ coaching to build capability to undertake roles not directly related to SE/ poor's role in SE (examples: entrepreneurship, financial literacy, communication, English)
Non Fee-Based	Housing assistance	Capital build up to buy shares in social enterprise/Asset build up programs
Skills training, coaching, study tours for workers, producers and others in value chain	Benevolence/mortuary assistance	Personal development , value formation programs
Marketing support	Worksite nursery facilities	
Introduction of new and appropriate technologies	Shelter home	
	Feeding program	**Group-Directed**
	Legal aid	Organizing: cooperatives, community organizations, savings groups, etc.
	Medical missions	Leadership development, other capacity-building for organizational development (e.g. financial management)
	Relief operations	Coaching of organization on strategic planning, social enterprise planning and the

Transactional	Social Inclusion (Basic social services)	Transformational
		like
	Provision of water, sanitation and other basic service facilities	Capacity-building for poor to participate in SE governance and management (e.g. selection and coaching for Board positions)
	Anemia control services	Training/ coaching on group investments; group capital build-up
	Job placement outside of SE	Program to improve collective position of poor in value chain (from producer of raw materials to semi-processing; from production to include marketing functions)
		Enterprise development support (e.g. technology, market linkaging) to diversify sources of income beyond participation in SE
		Training on community resource appraisal, community asset mapping, community visioning and planning
		Policy advocacy support; claim making support; capability building to engage government for provision of community infrastructure
		Partnership-building, linkage-building

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COLLABORATING ORGANIZATIONS

ISEA

The Institute for Social Entrepreneurship in Asia (ISEA) is a learning and action network set up by social enterprises and social enterprise resource institutions to catalyze knowledge creation, capacity development and movement-building for social entrepreneurship in the region.

www.isea-group.net

OXFAM

Oxfam is an international confederation of 17 organizations networked together in 97 countries, as part of a global movement for change, to build a future free from injustice of poverty.

www.oxfam.org

Development Wheel

Development Wheel (DEW) is a non-profit development organization founded in 1996 by development professionals and researchers to promote self-help poverty alleviation initiatives among the poorest households in Bangladesh.
www.dewbd.org

Perkumpulan Prakarsa

Perkumpulan Prakarsa or Welfare Initiative for Better Societies works to nurture and enhance welfare ideas and initiatives through independent research and active participation of stakeholders towards social justice and a prosperous society in Indonesia.

www.theprakarsa.org

Tata Dhan Academy/Dhan Foundation

Tata Dhan Academy was set up by Dhan Foundation and Sir Ratan Tata Trust, as a development education and research institution in India aimed at nurturing development professionals and building their capabilities to effectively work with and enable poor communities.

www.dhan.org/tda

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