



## **Breakout Series 3: How can the government accelerate the growth of social enterprises and social investments in Asia?**

**Wednesday 25 May 2016**

**11:15am**

**Session Reporter: Eugenia Lo**

### **Summary of the Content of the Session:**

**Moderator:** Tristan Ace (Global Partnerships & Development Manager, Social, British Council)

#### **Speakers:**

- Nuttaphong Jaruwannaphong (Director, Thai Social Enterprise Office)
- Cliff Prior (CEO, Big Society Capital)
- Jonathan TY Wong (Science, Tech and Innovation Advisor, UN Economic and Social Commission for Asia and the Pacific)
- Mohini Bhatia (Regional Coordinator, Social Enterprise Innovations, World Bank Group)

Across regions, governments are recognizing the consequences and range of problems associated with increasing growth rates. A new role governments can play in Asia to address this is 'learning, enabling, empowering' i.e. the government's role is important to the community's work. This session will address:

- Why governments are encouraging social entrepreneurship and social innovation in Asia and the UK
- What governments are doing

### **Major Conclusions of the Session:**

#### **Why are governments encouraging social entrepreneurship (“SE”) and social innovation (“SI”) in Asia and the UK?**

##### CP on UK

- A key driver is public infrastructure transformation (due to certain [policy] failure and austerity post-2008/9 i.e. approach is “do better for less money”)
- A strong view that SE and non-profits are more palatable to the public
- Politicians are trying to connect to popular themes (SE and SI) e.g. “coolest thing now is SE” and “hanging onto SE like new rock stars”
- Long-term consistent policy drive for economy (which is unique to UK)

##### NJ on Thailand

- Thai politicians normally do not have a long-term vision

- SE challenges: public service inefficiency, social inequality, practical issues with how to dispense grants

#### MB on India

- MB recognises that the UK and Thailand adopt a top-down approach to SE
- Key drivers to India SE: SDG particularly poverty challenges that public resources cannot address alone; significant youth unemployment; frugal innovation (i.e. how can one innovate with lowest cost and least resources, how to harness this and 'export' globally)
- The World Bank sees potential for scale if SE is embedded in policy. There is high opportunity cost if large social impact (e.g. development challenges and global poor) is overlooked

### **What are governments doing?**

#### CP on UK

- The UK government is engaging well with civil society (e.g. mass interest in SE, half the population is engaged as volunteers). Examples are: awareness training (e.g. ambassador schemes, capacity building funds etc.), wider international credibility in G8 task force (e.g. Impact Hub movement)
- Start of a "rounded ecosystem" "a bit of everything is better" "a lot of crowding in"
- But challenges with big-scale campaign issues

#### NJ on Thailand

- Most initiatives are learnt from the UK (e.g. UnLtd Thailand). The government also works with universities and incubators to nurture SEs. The government supports SE through grants and donor connections
- A challenge is to find new financial support channels, other than government intervention. Existing examples of new financial support channels:
  - Social lottery (i.e. to raise capital for certified SE). Issue then is how to deploy the USD60m raised as "10 months after funds raised, there were no investment-ready SEs"
  - Social innovation market and social VC funds (e.g. 3 largest Listcos setting up VC funds in Thailand)
- CP response to the deployment issue – 2 sub issues: investor and social "social investment is not only about money"

#### MB on India

- During the last 2 years, the India government relaunched initiatives to support SE (e.g. digital India, new ministry focused on SE and related policy, new law on CSR and funding)
- 3 key challenges: (1) traditional mindset and view that innovation is R&D (2) risk averse mindset to supporting SE i.e. "failure is not acceptable" (3) in cohesive public policy and programmes
- From World Bank perspective: "when SEs were linked up to government programmes, these SEs really took off". Capacity building and awareness training is key. Some World Bank initiatives: develop SEs in clusters e.g. crowd funding by sector; e-learning module for SEs and policy makers



JW on UN

- The government has the power to catalyse or kill social innovation. The first step is to start a movement. The UN supports policy makers starting the SI journey