

## **Bangkok Post** The world's window on Thailand

### **For-profit business model sees citizens reap dividends**

**Entrepreneurs are taking a commercial approach to charity through small enterprises that sidestep NGO and government bureaucracy and ensure that assistance reaches those most in need directly**

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In Yangon an organisation, FXB Myanmar, gives vocational training and business opportunities to HIV-positive workers and women rescued from the Thai sex industry. A manufacturer of affordable foot pumps for irrigation, Proximity Designs, has a network of distribution channels to upcountry farmers that NGOs and government organisations envy. BusinessKind-Myanmar sells low-cost mosquito netting in malarial and dengue fever regions, and half of its work force is also HIV-positive. Myanmar Business Executives provides low-interest microcredit and networking outlets to needy individuals and organisations.



WEAVING HER FUTURE: A worker at the social enterprise FXB Myanmar making textiles. PHOTO: COURTESY OF THE ASIA-EUROPE FOUNDATION

What these initiatives have in common is that they use business models to achieve social benefits. The companies produce multiple products, have sales strategies and target markets, and even make a profit, though much of that is redirected to social causes. Some receive grants by international NGOs or aid agencies, but the products are generally low-cost necessities accompanied by community-based education in how to maximise their effectiveness, rather than donations, which can be less valued by recipients and are more likely to be misdirected and go to waste.

Some of these ventures were conceived in the wake of Cyclone Nargis in 2008, the biggest natural disaster in Myanmar's history, when more conventional government and NGO outlets were insufficient in providing relief to the hundreds of thousands afflicted. Charitable individuals and organisations had to become more innovative in relief methods to compensate for financial and infrastructural obstacles.



Such initiatives are equally relevant in the new Myanmar, with its recent steps towards democracy and the easing of sanctions by the US and Europe, as rapid future development may benefit international corporations and Myanmar's middle class albeit with less thought for the country's impoverished and marginalised.

While NGO work is sometimes criticised for bloated budgets that insufficiently reach target populations, and government organisations for being unwieldy or politicised, a case can be made for a middle route that in a sense privatises charitable ideas to achieve similar ends through more profit-conscious and streamlined means.

"Skills for Social Entrepreneurs", a networking workshop with over 30 participants from 11 countries across Europe and Southeast Asia, convened towards the end of last month in Yangon to illustrate the need and effectiveness of social enterprise in the region and worldwide.

#### THE GLOBAL MOVEMENT

Business with a social conscience is not new. There have been philanthropists as long as there have been exploitive industrialists. What is becoming a rising force are the networks of regional and interregional entrepreneurs who have the same goal of benefiting society through a for-profit business model, as well as the increasing government, NGO, corporate and public support for such ventures.

Social enterprise has been gathering currency in North America and Europe for a generation. The UK has over 60,000 social enterprises, according to a 2009 government study, which contribute 24 billion to the UK economy.



HEALTHY TALK: Below, Christine Wilson, society adviser of the British Council, giving a presentation on health issues in Myanmar. PHOTOS: EZRA KYRILL ERKER

Christine Wilson, society adviser for the British Council, which promotes the social enterprise concept internationally, said there are 20,000 social entrepreneurs in the UK signed up to The Guardian newspaper's social enterprise network alone. Connecting them with others around the world, especially in developing countries, is something that could benefit global prosperity.

"The British Council's mission is to foster trust and understanding between the UK and the world, and world prosperity and world security, and social enterprise is one way to do that," Ms Wilson said at the event in Yangon.

"It's about creating a voice and a stake in the local community. The beneficiaries of social enterprise aren't getting handouts, they're getting a stake in their community."

"There is unbelievable potential in Myanmar," she said.

#### THE NEW MYANMAR

After the Myanmar elections in April, Aung San Suu Kyi's rise to parliament and the easing of sanctions by Europe and US, there is a wave of optimism in urban Myanmar. Following years of neglecting infrastructure in favour of consolidating the military's grip on government and the economy, the country is ripe for an investment boom.

Amid this opportunity for growth is a need to help the country's poor develop at the same rate. A middle path between the

corporate and government sectors and NGOs, namely for-profit business with a social conscience, may be crucial to that aim.

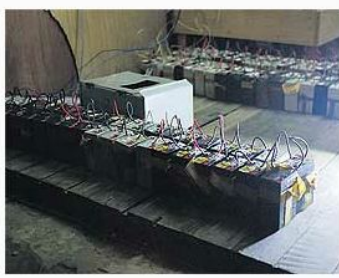
Cathy Win, co-founder of BusinessKind-Myanmar, which makes low-cost bed nets and other products such as citronella candles, said the company makes a profit which is then redirected to benefit the target populations. Nets are treated with insecticide and distributed for malarial and dengue fever prevention in Kachin State, Shan State, the river delta and other target areas, and the company provides half of its jobs to HIV-positive workers, thus simultaneously helping two sectors of the population that need it. Sales of the nets are accompanied by malarial prevention education programmes.

There are some problems associated with businesses such as hers, she said, citing issues with workers used to more lucrative work, and the need for good marketing in poor areas.

"There are not many social businesses in Myanmar, maybe only six in Yangon," she said, although that number is expected to rise quickly along with awareness of the concept and the resources available.

#### THAI SOCIAL ENTERPRISE OFFICE

That Thailand is a regional leader in social enterprise might surprise some, but with government involvement and the use of "sin tax" revenues from alcohol and tobacco sales to promote and support training and social initiatives in the country, it is considered a progressive model in Southeast Asia.



BRIGHT IDEA: One Myanmar school funds costs by selling rechargeable batteries that families can use for lighting and other essential services during the country's frequent power outages.

Mongkol Kasaemsun na Ayudthaya of the Thai Social Enterprise Office said the organisation was set up by the former Democrat-led government to encourage social businesses locally and connections internationally.

"There are four or five focus areas," he said \_ namely the disabled, food, the environment, education and energy. These cover many of the issues raised at the Yangon workshop, such as quality education for the poor, waste management, public health and alternative energy.

Mr Mongkol said that the office offered business management and other courses to prospective entrepreneurs and had an investment fund paid for by the sin tax. The office was considering authorising a "social enterprise mark" on products and issuing guarantees and awards in order to expand social enterprise in Thailand and convince businesses to register.

One Thai social entrepreneur participating in the event, Orapin Sinamonvech, runs a company called Kokoboard, which makes building materials out of coconut dust, rice husks, nut shells and other materials usually considered agricultural waste. Another, Veerawong Pipithsukunt of Leadership Management International, gives financial training to businesses and entrepreneurs. They were able to share their experiences and learn from those of the others.

#### BUSINESS WITH A SOCIAL CONSCIENCE

The three-day workshop in Yangon, organised and sponsored by the British Council and Asia-Europe Foundation, brought together like-minded entrepreneurs from around Southeast Asia, as well as a handful from Europe. Fostering broader connections and comparing methods can increase the effectiveness and sustainability of social enterprise.

Participants focused on four particular themes, in brainstorming solutions to problems common in many countries. One focal point was education, and self-reliance for schools in poor communities, with field visits to several schools around Yangon. Some sold products to subsidise the cost of salaries, upkeep and curricula, such as rechargeable batteries to help families cope with the country's unreliable energy supply, alms bowls for use by monks and novices, or fuel briquettes for cooking.

Another area for field visits was the environment, especially how to minimise the impact of household waste and clean up the country's waterways, and give communities financial or other incentives to keep the environment clean. Also considered was promoting organic produce and sustainable agriculture. Likewise the issue of public health was a focal area \_ how to make low-cost health care more accessible, make public health drives more effective and provide skill training.

Cultural heritage and tourism comprised the fourth thematic series of field visits. In this case the focal issue was a uniquely local problem: With the country's capital relocating to Naypyidaw in 2005, how can Yangon best utilise the former ministry buildings and other colonial structures that remain underused? And how can other cultural promotions bring in tourism revenue?

One participant from Poland, Jacek Zbigniew Bozek, likened Myanmar to his country 30 years ago. On whether he had learned something in Myanmar that he could take back with him and apply at home, he wasn't sure.

"Maybe in another field," he said. "For the field visits here I focused on the environment, so maybe Myanmar's just too far behind at the moment." In other areas covered by the field inspections, he said, such as cultural heritage, he might have learned more.



WORDS TO THE WISE: Mongkol Kasaemsun na Ayudthaya of the Thai Social Enterprise Office discusses education issues with Rambilie Katrina Lim of the Rurungan sa Tubod Foundation, Philippines.



THE FUTURE IS THEIRS: Students at a class in a monastic school in Myanmar.



A participant from Indonesia, Anton Abdul Fatah, said he had received invaluable advice and ideas for his agroforestry initiatives in rural Java.

Sol Iglesias, Asia-Europe Foundation's director of intellectual exchange, said that social enterprise "provides an opportunity to think regionally and inter-regionally, expand markets, widen the net for investors and foster policy dialogue".

"Promoting social responsibility and categorising it is something that will benefit society," she said.

One of the key questions at the event was how to promote the concept of social enterprise. Tax incentives, preferential procurement policies, bias towards socially responsible products might be some ways, especially under an Asean-wide umbrella, as the collective push for business practices with a social conscience is something that can only be positive for the self-sustainability of local communities in Myanmar and for the region as a whole.

Spectrum's visit to Myanmar was made possible by support from the British Council and the Asia-Europe Foundation.



with many government offices moved to the new capital, one field excursion by the seminar considered how to use the old buildings.



home degradation along Myanmar waterways was one of the issues looked at by the workshop. And inset, rubbish along Yangon waterways. PHOTOS: COURTESY OF THE ASIA-EUROPE FOUNDATION

## About the author



Writer: [Ezra Kyrill Erker](#)  
Position: Writer

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