Building an inclusive ASEAN through human-centred, sustainable and resilient partnerships

Webinar
Friday, 4th February 2022
15h00-16h30 (JKT time) /9h00-10h30 (CEST time)/17h00-18h30 (Seoul time)
Opening and welcome remarks

Karen Maguire
OECD
Head of Local Employment, Skills and Social Innovation (LESI) Division

Penchan Manawanitkul
Head of Enterprise & Stakeholders Engagement Division, Assistant Director, ASEAN Secretariat

4 February 2022, 09:00-09:10 CEST
Social economy as a path for inclusive and human-centred future

Antonella Noya
OECD, CFE
Head of Social Economy and Innovation Unit
# From CSR to Social Economy

## Main driver

### Profit first

<table>
<thead>
<tr>
<th>Corporate social responsibility (CSR)</th>
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<td>Business’s contribution to sustainable development. Corporate behavior must also respond to societal and environmental concerns (OECD, 2001)</td>
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### Inclusive Businesses

| Provide goods, services on a commercially viable basis to people at the Base of the economic Pyramid (BOP) (ASEAN IB framework) |

### Social entrepreneurship

| Process by which social entrepreneurs create and develop organizations with a strong social impact dimension (OECD) |

### Social economy

| Refers to the set of associations, cooperatives, mutuals, foundations and social enterprises, whose activity is driven by values of solidarity, the primacy of people over capital, and democratic and participative governance (OECD, 2018) |

## For-profit companies (incl. SMEs) & Social entreprises
The essence of social economy organisations

Social economy organisations put social and environmental concerns at the heart of their business model, prioritising social impact over profit maximisation. They are driven by a mission of serving the common good, protecting the general interest and increasing individual and community welfare by organising their activity in a different way.

The social economy shows a great diversity in terms of entities, size, outreach and sectors.

Source: OECD, 2020 (Social economy and the COVID-19 crisis: current and future roles)
The role of social economy

The social economy plays a number of important roles that help to resolve pressing social challenges while driving economic and social benefits. Social economy is:

1. an important **source of job creation**.

2. a way to address **social and environmental challenges** because of their focus on these areas.

3. a **source of innovation**, which can be scaled and mainstreamed by traditional enterprises.
Specifically, the social economy can help in:

- **crisis management**: by providing vital support to communities and in addressing and mitigating and long-term effects of crisis.

- **green transition**: by pioneering, exploring and expanding circular economy practices and activities such as recycling.

- **social inclusion and gender equality**: women are one of the driving forces behind the social economy, where they comprise over 60% of the workforce.

- **giving a sense to youth**: representing a great opportunities with impact for youth by contribution into associations and cooperatives or by creating social enterprises and inspiring new partnerships.
Southeast Asia has a number of specific characteristics:

- **Welfare systems are organised in a very different manner** compared to most of the OECD countries. This results in that social economy often opts for revenue generating operational models.

- Social economy is **more present in manufacturing and agriculture** compared to Europe. It is also contributing to global value chains.

- We also see that social economy play an important role in addressing societal challenges and **integration of disadvantaged groups into the labour markets**.

- **Policy ecosystems around social economy and social entrepreneurship are evolving**, but apart from few countries (Singapore, Malaysia, Thailand) are still in a relatively early phase of development.

- **Uptake of social entrepreneurship by youth in ASEAN**. Inclusiveness and sustainability are values dear to youth and it will have an impact in the future.
The work of the OECD in the area of social economy

20 years of experience around social economy, social entrepreneurship and social innovation.

• In-depth reviews and Policy briefs
• Publication on the tematic areas
• Tools: The Better Entrepreneurship Policy Tool
• OECD Global Action “Promoting the SSE Ecosystems”

The Netherlands (2019)
Estonia (2020)
Brandenburg (2021)

Social Entrepreneurship (2013)
Scaling the Impact of Social Enterprises (2016)

Boosting Social Enterprise Development, Good Practice Compendium (2017)
Latest publications....

**Policy brief on making the most of the social economy’s contribution to the circular economy**
https://doi.org/10.1787/e9ee313-en

**Social impact measurement for the Social and Solidarity Economy**
OECD Global Action Promoting Social & Solidarity Economy Ecosystems
https://doi.org/10.1787/d20a57ac-en

**Building local ecosystems for social innovation**
https://doi.org/10.1787/bef867cd-en

**Social economy and the COVID-19 crisis: current and future roles**
https://doi.org/10.1787/f904b89f-en

**Social vouchers**
https://doi.org/10.1787/a98f02c5-en
Conclusions and next steps
Thank you!

9-10 February 2022, Seoul, Korea
Ministerial Conference OECD Southeast Asia Regional Programme
https://oecd-events.org/sea-regional-forum

Social Economy and Innovation - OECD

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ASEAN Foundation in contributing to the building of ASEAN Community
Learning from ASEAN Social Enterprise Development Programme 2021

Inclusive ASEAN through human-centered, sustainable & resilient partnerships

4 February 2022

Dr. Yang Mee Eng
Executive Director of ASEAN Foundation
About ASEAN SEDP

Series of comprehensive capacity building activities focusing on finance, social impact & business model.

Access to a total of 3 months of coaching mentorship by coaches & corporate mentors.

Access to finance through seed grants for enterprises with the best business plan.

Access to the market place by facilitating all enterprises to connect with potential clients, initiate sales & expand their outreach.

Produce a model of meaningful partnership among the different stakeholders at the ASEAN level.

THEME

Social Innovations for the Sustainable ASEAN Community
ASEAN Foundation implemented ASEAN SEDP with a strong approach in youth-centered design.

Comprehensive Programme Design
ASEAN SEDP is designed with strong focus on youth inclusion & participation.

Participatory Learning & Monitoring
Facilitated Participants to give their inputs & feedbacks.

(Re) Implementation
Implement the remaining activities with adjustment based on inputs from youth.

Strategic Review & Re-design
Utilising the feedbacks & inputs to improve the programme.
20 Selected Social Enterprises and their contribution in solving problems in ASEAN

1. Lat Mhu Club
2. RecyGlo
3. Panyanivej Organic Farm
4. Wecare
5. Vietnam Sustainability Social Enterprise
6. Will to Live Center
7. Bambuhay
8. Vianco
9. DigTech
10. Kilang ReRoot
11. LetTap
12. Youth Empowerment Academy
13. Bamboo Builders
14. Borderless 360
15. Life and Co
16. Rubysh
17. Surplus Indonesia
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31. Rubysh
32. Surplus Indonesia

3 Seed Grants Recipients expected to bring direct impact to around 21,430 beneficiaries in key themes such as empowering marginalised & underrepresented communities along with creating transformative change to tackle climate issues in the region.
Case Studies: Surplus Indonesia in contributing to solving environmental issues

• Surplus, one of the seed grant recipient from ASEAN SEDP based in Indonesia aiming to reduce food waste, managed to rescue 1 ton of surplus food from being thrown away.

• Until now Surplus Indonesia has also shown their potential to be the key driver in the issue of food waste & environmental issues in Indonesia. Surplus Indonesia currently engage & collaborate with DKI Jakarta, Bekasi & Yogyakarta city in Indonesia to support their vision to build a Food Smart City.

• continues to share their learning with young people (Student Ambassador programme) that recruits young people to increase awareness around food waste.
ASEAN Foundation & ASEAN Responsible and Inclusive Business Alliance (ARAIBA)

- ARAIBA is a regional network of businesses that promotes responsible, inclusive, resilient and sustainable enterprises.

- ARAIBA sets out a **standard for responsible and inclusive business** conduct in the Code and companies subscribing to the Code join ARAIBA.

- Subject areas for Responsible and Inclusive business: (a) Governance, (b) Environment, (c) Labour, (d) Anti Corruption, (e) Human Rights, (f) Consumer Protection, (g) Community Engagement and Development

https://www.araiba.org/join
Thank You

For further information: www.aseansedp.org
What is iBAN and how does it operate?

- Active since 2014
- Global initiative
- Focus: scaling and replication of inclusive business models
- Companies with tailor-made investment readiness programmes
- Develops national inclusive business policy strategies with policymakers
- Largest global online knowledge platform inclusivebusiness.net
IB Policy globally

Inclusive businesses provide goods, services, and livelihoods on a commercially viable basis, either at scale or scalable, to people living at the base of the pyramid (BoP), making them part of the value chain of companies as suppliers, distributors, retailers, or customers. (G20 - 2015)

Four main Inclusive Business Features have been identified:
- Engaging the BoP intentionally
- Pursuing financial viability
- Scaling the business
- Measuring and managing the impact
IB Policy promotion in ASEAN

ASEAN

“We recognised the role of Inclusive Business models in achieving the ASEAN Economic Community Vision 2025 of a resilient, inclusive, people-oriented and people-centred community, through market driven and innovative solutions to economic empowerment and social impact to over 300 million people at the Base of the Pyramid in ASEAN “

CHAIRMAN’S STATEMENT OF THE 31st ASEAN SUMMIT 13 NOVEMBER 2017

IB Models in ASEAN will highlight the development of MSMEs along three tracks:
i. Medium scale enterprises as the main proponents of IB in ASEAN;
ii. Small scale enterprises with social impact, often regarded as Social Enterprises
iii. Micro and small enterprises as part of the value chain of bigger IB models, thereby allowing access to market, finance and technical capacity building.

ASEAN Inclusive Business Framework 2017
IB Policy promotion in ASEAN

Cambodia

“Promoting and encouraging the implementation of an inclusive business model or business activity, social enterprise initiatives to create a new dynamics for a systematic solution to accelerate the innovative business of the private sector that can help to solve problems for the poor and the people with low income in Cambodia. “

NATIONAL STRATEGIC DEVELOPMENT PLAN 2019-2023

Malaysia

“Malaysia is of the view that Inclusive Business is key to build back the economy better and stronger. Therefore, the Government is promoting IB as avenue for addressing the needs of the B40 at scale”

MEDAC Minister Tan Sri Haji Noh Omar
IB Policy promotion in ASEAN

Viet Nam

"These businesses promote social transformations as they have a large and deep social impact. Inclusive businesses bring triple wins for businesses, the poor, the society, as well as enhance women's economic empowerment to narrow the gender gap”

Deputy Minister of Planning and Investment Tran Duy Dong

ASEAN

"The mid-term review identified eight emerging trends that present both challenges and opportunities for ASEAN MSMEs. [Inclusive Business] holds great potential to promote economic inclusion and reduce poverty in ASEAN, a key regional and domestic priority for many member states and contributes to the achievement of the United Nations Sustainable Development Goals. “

Mid-Term Review of the ASEAN Strategic Action Plan for SME Development 2016–2025
Cambodia: IB enabling environment Cambodia (IBeeC) launched and implemented

Viet Nam: IB Strategy developed

Malaysia: IB Strategy developed

Indonesia: Roadmap for IB in wellness tourism launched

Philippines: IB bill introduced in congress

Cambodia: IB 2\textsuperscript{nd} ASEAN IB Summit 2019

Myanmar: IB Steering Group

ASEAN: "Guidelines for the Promotion of Inclusive Business in ASEAN" – reference document with 12 policy instruments

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