

STEPuP

Comparative Report and GAP Analysis

Payap University

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List of Abbreviations

ASEAN	Association of Southeast Asian Nations
BOP	Bottom of Pyramid
CBO	Community-based Organization
CBT	Community-Based Tourism
CSR	Corporate Social Responsibility
FGD	Focus Group Discussion
HEIs	Higher Education Institutions
INGO	International Non-governmental Organization
MSMEs	Micro, Small and Medium Enterprises
NGO	Non-governmental Organization
SDGs	Sustainable Development Goals
SE	Social Enterprise
SMEs	Small and Medium Enterprises
SROI	Social Return on Investment
SWOT	Strength, Weakness, Opportunities and Threat
WP	Work Package

1. Executive Summary

Even though Myanmar and Thailand are at different levels of development, both countries still face many challenges in striving to achieve the Sustainable Development Goals such as inequality, demographic shifts, social mobility, education inequality, and environmental degradation. These challenges have led to an increasing interest in the use of social entrepreneurship to address these pressing issues within Thailand and Myanmar's societies by delivering both social impact and economic benefit.

As part of the development of this report, the consortium partners agreed on a definition of social entrepreneurship to be used throughout the STEPuP project. "Social Entrepreneurship is the process of applying innovative business models to address social problems (for people and communities) by generating both profit and purpose. Social Entrepreneurship creates long-term value and achieves sustainable impact for society and the connected ecosystem."

Social enterprises in Myanmar and Thailand have a varied assortment of impact goals but a large majority focus on community development. Other areas of focus include education, agriculture, health, and the environment. They have generally been formed out of cooperatives or community-based organizations (CBOs) with a smaller group of SEs founded by entrepreneurs or corporations. These SEs are generally small in size and revenue but seem able to generate profits or at least break-even.

The SE ecosystem in both countries is comprised of educational institutions, the government, social entrepreneurs, funders, and local communities. In addition, there are numerous enabling actors who support the development of the sector.

Although the social enterprise ecosystem in Thailand is fairly developed compared to Myanmar, there remain challenges in both countries that need to be addressed to ensure that the sector lives up to its potential. These common challenges include the lack of skilled employees, business acumen among founders, access to funding, a lack of social impact measurement, centralization of the ecosystem in metropolitan areas (Yangon and Bangkok),

and overall confusion in both public and private sectors as to the exact definition of social enterprise and its role. In addition, Myanmar still does not have specific government regulations governing social enterprises and limited engagement by higher education institutions in the sector.

Recommendations to address these challenges include the decentralization of the SE support ecosystem by developing provincial centers to increase access and opportunity to an SE ecosystem for those already existing social enterprises and social entrepreneurs who are planning to create one. In addition, long-term capacity-building activities should be offered to develop both the skills of the entrepreneurs themselves and to aid in the viability of the social enterprise. These activities can include mentoring and train-the-trainer programs as well as financial training to provide skills, confidence and opportunities to social enterprises looking to raise capital in a more cost-effective, direct way through crowdfunding. Lastly, as uniquely placed institutions to serve as a 'bridge' between the different stakeholders, Higher Education Institutions in Myanmar and Thailand should develop resource hubs for social enterprise practitioners and engage stakeholders from all sectors to tackle social issues and promote awareness of the social enterprise sector's potential.

2. Report Objective

Social Entrepreneurship is an economic reality in many Asian countries such as Thailand and Myanmar, however, it usually applies to small businesses struggling to make money with no prospect to grow. Social entrepreneurs either do not know that they are social entrepreneurs or have no knowledge on how to scale their business to make a real impact on society. Additionally, social entrepreneurship may not be a desirable career path for young people, which is partly due to the scarce educational offerings in higher education institutions. Innovative, disruptive business ideas need to emerge to not only tackle the societal challenges in the countries, but also to give students the possibility to acquire skills needed by the labor market to allow them to play an active role in society and achieve personal fulfilment.

In order to identify the specific issues facing social entrepreneurs in Thailand and Myanmar and the ecosystems within which they operate, the STEPuP project is implementing Work Package 1 (WP.1) as the first milestone of the project. This work package aims to assess the current situation of social entrepreneurship in both countries, mainly focusing on the changes that were implemented in the past few years. The information gathered from the four partner universities in Thailand and two partner universities in Myanmar will be summarized into status-quo analysis reports that will serve as a guideline to understand the ecosystem within which social entrepreneurship operates in each country. Additionally, the research aims to identify which challenges are still present in both countries through a GAP analysis and then develop capacity-building trainings to address these challenges as part of WP.2. Lastly, Good Practices will be collected from all European partners for joint learning opportunities.

It is important to highlight that given the wide definitions of social enterprise and social entrepreneurship in consortium countries, and the often complex and diverse ecosystems within which they operate, the project's stakeholders are a vital source of information and insights into the state of the sector and these stakeholders can play a key role in helping to designing effective solutions to the issues be addressed through the STEPuP project.

3. Country Overviews

3.1. Myanmar

Myanmar is located at the crossroads between China and India and shares borders with Thailand, Laos and Bangladesh thus occupying a critical geostrategic position where trading routes from East Asia, South Asia and Southeast Asia meet. Myanmar covers an area of 676,578 square kilometers and is the largest among Mainland Southeast Asian nations by area. As of 2018, the population was about 53.7 million¹.

Myanmar had been under a military dictatorship and international sanctions for over 50 years until 2011 when the country engaged on a path to democracy and opened itself to the world. Since then, Myanmar has gone through several political and socio-economic reforms and is improving its business enabling environment with new investment, company and association laws, etc.

Myanmar is rich in natural resources including jade and gold mines, oil and gas, mineral and hydraulic resources, vast areas of land and a relatively young population. It has much to offer in terms of opportunities to the businesses and local communities if the country is successful in reforming its legal and social-economic framework.

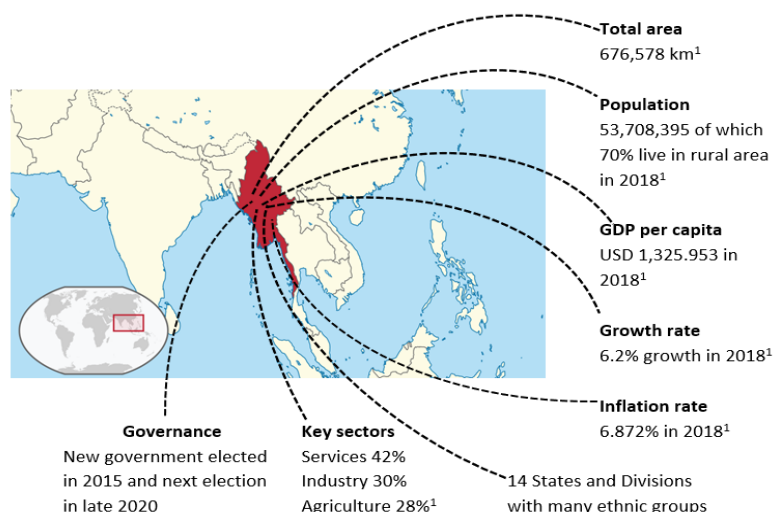


Figure 1: Myanmar at a Glance

¹ <https://www.worldbank.org/en/country/myanmar/overview>

According to the World Bank, since the country's opening in 2011 and the first democratic elections in 2015, Myanmar has experienced rapid economic growth (above 7 % per year) and measurable improvements in social welfare. Poverty almost halved, falling from 48% to 25% between 2005 and 2017².

However, Myanmar still faces numerous economic, social, and environmental challenges as can be seen by the latest 2020 Myanmar Sustainable Development Progress Report Overview below (fig.2). Overall, Myanmar scored 64.6/100 and was ranked 104th out of 193 UN recognized countries.



Figure 2: Myanmar Sustainable Development Report 2020: Overall Assessment

Source: Worldbank (2020)

² <https://www.worldbank.org/en/country/myanmar/overview>

3.2. Thailand

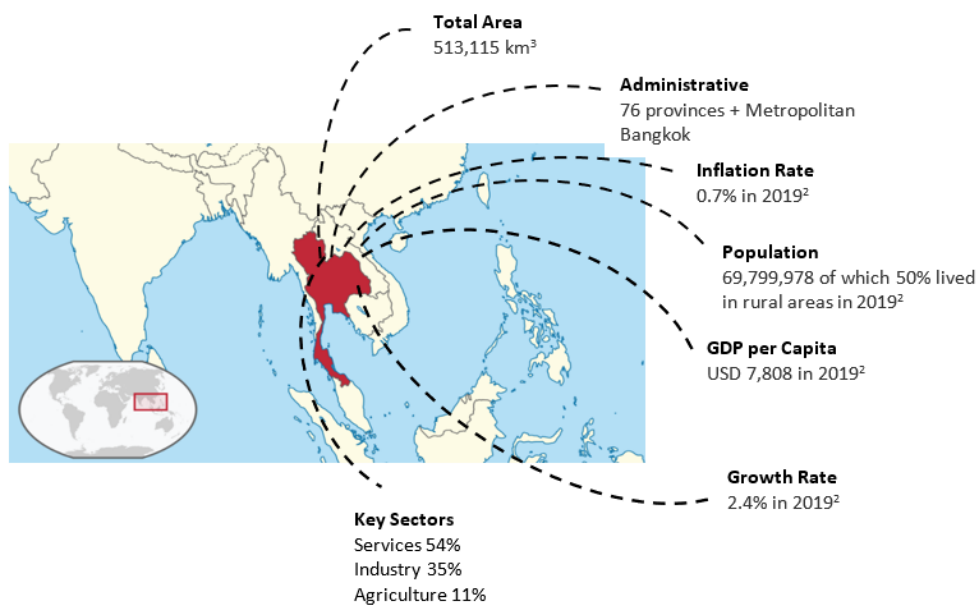


Figure 3: Thailand at a Glance

The Kingdom of Thailand is situated in the heart of the Southeast Asian mainland, covering an area of 513,115 sq.km. and extends about 1,620 kilometers from north to south and 775 kilometers from east to west. Thailand borders the Lao People's Democratic Republic and the Union of Myanmar to the North, the Kingdom of Cambodia and the Gulf of Thailand to the East, the Union of Myanmar and the Indian Ocean to the West, and Malaysia to the south. As of 2019, Thailand had a population of over 69 million people³, a median age of 39 years (2020 est.) and a growth rate of 0.25% (2020 est.).⁴

Thailand is a constitutional monarchy and parliamentary democracy; however, in recent history, its government has experienced multiple coups and periods of military dictatorships with the military taking power 12 times since the end of the absolute monarchy in 1932. The current prime minister, General Prayuth Chan-ocha, came to power in a coup in May 2014 and national elections in March 2019 saw him confirmed in office.

³ <https://www.worldbank.org/en/country/thailand/overview>

⁴ <https://www.cia.gov/library/publications/resources/the-world-factbook/geos/th.html>

According to the World Bank, over the last four decades, Thailand has made remarkable progress in social and economic development, moving from a low-income to an upper-income country in less than a generation with strong gains along multiple dimensions of welfare including poverty-reduction, education, health-care and social security⁵.

However, Thailand still faces numerous economic, social and environmental challenges as can be seen by the latest 2020 Thailand Sustainable Development Progress Report Overview below (fig.4). Overall, Thailand scored 74.5/100 and was ranked 41st out of 193 UN recognized countries.



Figure 4: Thailand Sustainable Development Report 2020: Overall Assessment



Source: Worldbank (2020)

In response to these social and environmental challenges, the Thai government has already strategized a new economic model, Thailand 4.0, to transform the country into a value-based economy driven by innovation and technology in the next 20 years, supplemented by various development initiatives to achieve both social and environmental well-being. However, government policy alone is not enough given the complexity of the problems, and changes in policies often take time.

⁵ <https://www.worldbank.org/en/country/thailand/overview>

4. Main area of Social Enterprise Focus

Table 1: Typology of SEs in Myanmar and Thailand

			
Typology	Example	Typology	Example
Basic services	Koe Koe Tech	Beneficiary-owned	Akha Ama
Financial services:	Pact Myanmar	Cross-subsidy	Social Giver
Social and environmental Educational Services	YK collection	Social Needs	Abhaibhubejhr Herbal
Bottom of Pyramid (BOP) Products and Services	Proximity Design	Work-integration	Lila Thai Massage Shop

4.1. Myanmar SE Focus Area

- **Basic services**

Many SE organizations in Myanmar provide basic healthcare, education, and job creation education to disadvantaged populations.

Example: Koe Koe Tech aims to reduce maternal and child mortality rates in Myanmar to improve health indicators and to increase access to information, resulting in positive social impacts for the people of Myanmar.

- **Financial services**

Some SEs are also operating in finance-related areas such as microfinance. These types of social enterprise tend to be diverse in terms of their legal form, although entities with microfinance as a core activity are generally cooperatives or NGOs.

Example: Pact Myanmar (Microfinance Institution)

- **Social and environmental educational services**

Some SEs are focusing on dissemination of specific knowledge, vocational training, livelihood projects and behavioral change, providing research and training in addressing social and environmental problems.

Example: YK collection focuses on improving local talents and conserving natural resources and preserving traditional jobs by promoting awareness and skills of local people.

- **Bottom of Pyramid (BOP) products and services**

Some SEs offer products or services to both rural and urban communities targeting the BOP. They mostly provide affordable and socially conscious products such as mosquito nets, water pumps and water fitters to disadvantaged groups.

Example: Proximity Design which aims for rural families to become more prosperous by designing, creating, and selling products that boost the productivity and incomes of farmers.

4.2. Thailand SE Focus Area

Social Enterprises in Thailand can be loosely categorized into four types based on their focus.

- **Beneficiary-owned**

These social enterprises are created and operated by either individuals or communities to address a social or environmental issue they face. The income generated from these types of social enterprise directly benefits the community in which the social enterprise is founded.

Example: Akha Ama, which started as one village's effort to grow and sell their own coffee at fair prices and has become a small but growing number of coffee shops in Thailand.

- **Cross-subsidy**

These social enterprises operate under a cross-subsidy model by selling products or services in the normal market, to use their profits to support products or services for social purposes.

Example: Social Giver, an online platform for donations to social organizations. The platform sets quotas for products or services from businesses in hospitality, including hotels and restaurants. Users of the platform can make donations to various social organizations and receive vouchers that can be redeemed for these products or services.

- **Social Needs**

These social enterprises are created to expressly tackle a specific social need they have identified within a community or on a national level.

Example: The Chao Phya Abhaibhubejhr Hospital Foundation (CAF) was founded in 2002 as a non-profit agency, and has developed itself into a social enterprise, running the Abhaibhubejhr herbal product line. Profits are used to fund the state-owned Chao Phya Abhaibhubejhr Hospital in Prachinburi province and support other activities aimed at tackling health, social and environmental issues.

- **Work-integration:**

These social enterprises are focused on providing either employment or training to marginalized groups within Thailand.

Example: The Lila Thai Massage Shop was established by the former Director of The Chiang Mai Women's Prison to support released inmates by providing training and employment.

4.3. Mission and Goals

In both Myanmar and Thailand, the mission and goals of social enterprises are similar in that they are by nature focused on solving social and environmental problems facing marginalized communities.

In terms of looking at their missions and goals through the lens of sustainability, social enterprises in Myanmar and Thailand focus on:

- **Economic Dimension:**

- Income generation to reduce poverty by increasing a community's income through agricultural, food safety or community tourism activities.

(e.g. Hla Day, a Yangon-based social enterprise, aims to support the livelihoods of local underprivileged artisans, socially disadvantaged groups and small businesses by creating a marketplace for them to sell quality handmade products)

- Human resources development to offer skills development and employment to marginalized communities

(e.g. Bagan-based Sanon Training Restaurant trains disadvantaged youth in hospitality and English, finds them employment and monitors them for a further two years to assist them integrate into the workplace and have a successful career in the hospitality and tourism industries)

- **Socio-cultural Dimension:**

- Improve the quality of life of local communities such as focusing on women's health, the elderly or youth

(e.g. WEAVE's addresses some of the problems faced by marginalized ethnic women and their children from Burma in the key areas of education, health, economic empowerment, and self-reliance).

- To offer education for the underprivileged

(e.g. Free Bird Cafe in Chiang Mai supports the work of Thai Freedom House; a language and arts community learning center for Indigenous Peoples and Burmese refugees).

- **Environmental Dimension:**

- Efficient use of natural resources and conservation of the ecosystem

(e.g. Elephant Parade is a social enterprise with a unique combination of art, business and conservation that provides a structural and ongoing source of income for elephant welfare and conservation).

4.4. Size

Many social enterprises in Thailand are formed as community-based organizations. The nature of these organizational forms is reflected in their staffing levels. Of the 37 social enterprises researched by ChangeFusion (2020), 73% had small teams in the range of 1-5 full-time employees.

In Myanmar, Most SEs are small or medium-sized, and therefore, are registered at the Small and Medium Enterprises (SMEs) Department under the Ministry of Commerce. Of the 71

Social Enterprises researched by Impact Hub Yangon (2018), just over half (51%) employed between 6 – 20 staff⁶.

SE Size: Measured by Employee Number - Myanmar

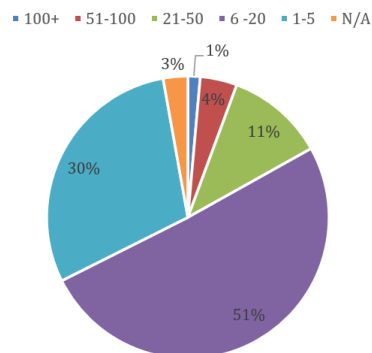


Figure 5: SE Size by Employee Number - Myanmar

Source: ImpactHUB Yangon (2018)

SE Size: Measured by Employee Number - Thailand

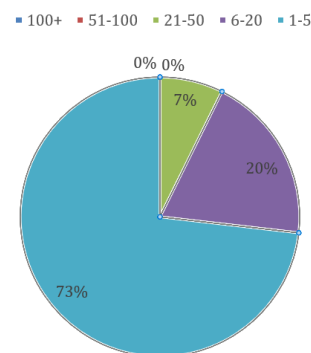



Figure 5: SE Size by Employee Number - Thailand

Source: ChangeFusion (2020)

4.5. Legal Structure

Until the passing of the recent Thai Social Enterprise Promotion Act in 2019, there existed similar legal structures available for a social enterprise in both Myanmar and Thailand.

Table 2: Legal Forms Available to SEs

Legal Form		
Social Enterprise	✗	✓
NGOs/Community Enterprise	✓	✓
Association	✓	✓
Foundation	✓	✓
Cooperative	✓	✓
Private Company	✓	✓

⁶ The data could include both full-time and part-time/contract employees

4.5.1. Myanmar's Legal Structures for Social Enterprises

In 2018 The Myanmar Young Entrepreneurs Association (MYEA) proposed an SE Law and formed the Social Enterprise and Inclusive Business Committee to coordinate efforts to promote business solutions to development challenges. However, as of July 2020, there has been no significant progress and organizations wishing to form a social enterprise must register under current standard business regulations.

Social enterprises in Myanmar can be established by one or more Myanmar citizens as a sole proprietorship, partnership, or companies. According to the Small and Medium Enterprises Development Law of 2015, sole proprietors and partners need to register at the Central Department of Small and Medium Enterprises Development under the Ministry of Industry. Social entrepreneurs can register their ventures with the Directorate of Investment and Company Administration (DICA) as a private company limited under the Myanmar Companies Act of 1914. Myanmar is in the process of legislation reform which is expected to increase foreign investment in the SE ecosystem. Before 2018, local companies registered at MIC were required to be 100% owned by local entrepreneurs, but the revised Companies Law promulgated in 2018 allows foreign ownership of up to 35% in local companies.

Many social enterprises would register as domestic or international NGOs under the Ministry of Home Affairs, in accordance with the Registration of Organizations Law 2014. However, registration is complicated and protracted so many domestic organizations register as association or private companies. Associations can also register through the 1988 Organization of Association of Law. The cooperative option in Myanmar was introduced by the British colonial administration and was subsequently maintained by the Myanmar military government as a policy to address poverty issues. Today, this legal structure remains as an alternative for local social entrepreneurs in Myanmar to register their social ventures as a manufacturing, service, trading, or general “primary co-operative society” limited by shares under the Cooperative Society Law 1992.

As there is currently no recognized primary social enterprise model in the Myanmar legal landscape, there is also no recognized procedure for transitioning between legal forms. Under current practice, a registered or incorporated business cannot change from its existing legal structure to another legal structure.

4.5.2. Thailand's Legal Structures for Social Enterprises

Historically, many Thai social enterprises have registered as community-based social enterprises under the Community Enterprise Promotion Act (B.E. 2548). Other forms of legal structure available to them are shown in the table below. The new Social Enterprise Promotion Act of 2019 creates a new legal form for social enterprise with key differences between the new social enterprise structure and previous legal forms including taxation and acceptance of donations.

Table 3: Comparison of Legal Structure Available to Thai Social Enterprises

	New Social Enterprise Act Structure	1.Partnership	2.Private Company Limited	3.Public Company Limited	4.Foundation	5.Association	6.Cooperative
Overview	Dual purpose of profit-seeking and social causes	Traditionally aimed at maximizing profit for its partners	Traditionally aimed at maximizing profits for its shareholders	Traditionally aimed at maximizing profit for its shareholders	Non-profit and acts for public charities, religion, arts, science, education, or other public benefits	Non-profit	Act for the member's best interest
Ongoing Governance	Directors to manage business on behalf of the shareholders, and simultaneously contribute to social causes	Managing partner to manage the business on behalf of the partners	Directors to manage the business on behalf of the partners	Directors to manage the business on behalf of the shareholders. Stringent governance regulations, especially if listed on the stock exchange	Directors of the foundation oversee the activities of the foundation	Directors of the association oversee the activities of the association	Directors of the cooperative oversee the activities of the cooperative
Dividends Distribution	Yes, but with restricted dividend distributions to investors	Yes	Yes	Yes	No	No	Yes
Income Tax Rates Applicable (2016)	Tax-exempted (subject to conditions)	20% of net profits	20% of net profits	20% of net profits	Some categories of income exempt; 2% or 10% on gross income of other categories, unless Ministry of Finance grants exemption of all income	Same as a foundation	Tax-exempted
Liability	Limited	Unlimited for a non-registered ordinary partnership Limited for a registered limited partnership	Limited	Limited	Limited	Limited	Limited
Share Issuance	Yes	Yes-but only privately	Yes-but only privately, and it cannot issue shares to the public	Yes-it can issue shares to the public	No	No	Yes – can seek certain qualified members from the public (e.g. those suffering from poverty and hardship etc.)
Acceptance of Charitable Donations	Yes	Generally prohibited	Generally prohibited	Generally prohibited	Yes	Yes	Generally prohibited

Source: British Council et al. (2018)

4.6. Revenue

Social Enterprises in Myanmar and Thailand generally operate using one of three types of revenue-models.

Table 4: Revenue Models

Type	Revenue Model
Fully funded SE	Capital and financial sustainability are secured by donations and grants
Hybrid SE	Financially sustained with the combination of donation/grants with some income generated from beneficiaries, sale of products/services
SE / Social Business	Start-up capital from investors which will be paid back or start-up capital from donors which is not expected to be paid back or both. Revenue is generated from the sale of products/services

4.6.1. Myanmar SE Revenue

There is currently little data available on the size, scope, or profitability of social enterprises in Myanmar. Out of an estimated 500 active social enterprises in the country, only about 300 may have profit-making initiatives, and of these, 30% at most may be financially sustainable long term (DaNa Facility, 2018). It is difficult for SEs to achieve income self-sufficiency because of unfavorable legislation, tax regulations and difficulty in obtaining extra funding like loans, grants, etc.

4.6.2. Thailand SE Revenue

According to the Japan Research Institute (2016), most social enterprises in Thailand had annual revenues of less than USD50,000 in 2016 (fig.7). In terms of profitability, most social enterprises managed to either break-even or generate profits in 2017 (ChangeFusion 2019) (fig. 8). The majority of those who were still running at a loss were in their venture stage (i.e. launched their business but had not passed breakeven point yet) with annual revenues of less than THB 500,000.

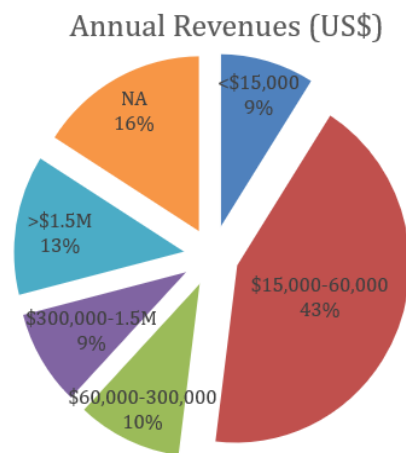


Figure 7: Thai SE Annual Revenues USD

Source: Japan Research Institute 2016

Thai SE Financial Performance 2017

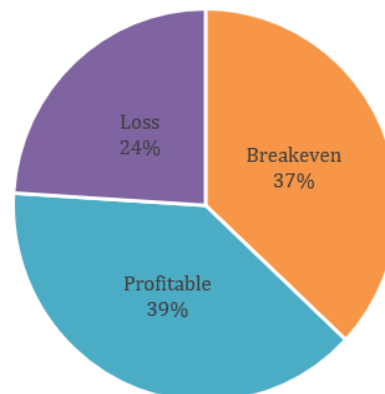


Figure 6: Social Enterprise Performance

Source: ChangeFusion (2019)

5. Regional Ecosystem: Key Actors

5.1. Educational Institutions

In both Thailand and Myanmar, Educational Institutions play an important role within the social enterprise ecosystem. They provide capacity-building trainings, advocacy, research, and incubation/acceleration programs as shown in the table below.

Table 5: Educational Institution Actors

Educational Institution	Myanmar	Thailand
Higher Education Institutions (SE Specific)	Sagaing Cooperative University's Bachelor and Master degree courses in Social Enterprise Management and diploma course in Social Enterprise Management	Thammasat University's BA in Global Studies and Social Entrepreneurship (GSSE)
	Thanlyin Cooperative University's Bachelor and Master degree courses in Social Enterprise Management and diploma course in Social Enterprise Management	Srinakharinwirot University's (SWU) Social Entrepreneurship courses
		Chulalongkorn University's Social Entrepreneurship Organization, based at their Intellectual Property Institute (CUIPI)

		Udon Thani Rajabhat University's MA in Social Entrepreneurship
		Payap University's BA in Social Enterprise Innovation
Higher Education Institutions (Non-SE Specific)	Yangon University of Economics offers certificate, diploma, undergraduate and postgraduate degree courses in entrepreneurship,	Burapha University's (BUU) Research Center and the Academic Service Center by Intellectual Property and Technology Transfer Office
	University of Mandalay's postgraduate degree courses and diploma courses in Entrepreneurship)	Mahsarakhan University's (MSU) University-Industry Cooperation Center; UIC (UIC-MSU)
		Prince of Songkla (PSU) Business Incubation Center (PSU, Science park)
Support Centers at Educational Institutions	Innovation Support Unit (SISU) at Yangon University of Economics and Thanlyin Cooperative University	The Yunus Centre based at the Asian Institute of Technology (AIT)
	Myanmar Institute of Information Technology (MIIT) Mandalay	Yunus Social Business Center at Kasetsart Business School
		Center for Social Impact at Payap University
Non HEI	Strategy First Institute and PS Business School offer SMEs development training and host competitions related to social entrepreneurship	
	Myint-mo Education Foundation (MEF) Social Entrepreneurship Program, Entrepreneurship Development Network Asia (ENDA Myanmar), Myanmar Women Entrepreneurs Association	

5.1.1. Educational Institution Actors in Myanmar

The Social enterprise ecosystem has not yet been fully integrated into Myanmar's Education system. However, even though the newest National Education Strategic Plan (NESP) 2016-2021 did not set out clear SE measures, there are already courses and programs on social entrepreneurship at two Cooperative Universities (Sagaing and Thanlyin) and more may follow as Myanmar has received foreign assistance to promote entrepreneurial education at University level. In addition faculties from other HEIs are promoting social entrepreneurship by offering capacity building programs; offering opportunities for the students to participate

in social activities; welcoming the new ideas for sustainability of SEs in innovative ways; and building networks among social entrepreneurs, HEIs and the local community.

In addition, Associations like Social Entrepreneurship Development Association Myanmar (SEDAM) and Mandalay Regional Chamber of Commerce and Industry (MRCCI) are cooperating with those Higher Education Institutions (HEIs) to arrange workshops, trainings and contests to promote social innovation practices in Myanmar, particularly in Yangon and Mandalay. The Myanmar Women's Entrepreneurs Association supports women by providing information, capacity building and advocacy, to focus on women's entrepreneurship issues.

5.1.2. Educational Institution Actors in Thailand

In terms of Thailand's educational institutions, Thai universities now offer several social entrepreneurship degrees, courses and programs as shown in the table above.

At the project partner level, Burapha University in Eastern Thailand has the BUU Research Center and the Academic Service Center by Intellectual Property and Technology Transfer Office, both of which are institutional departments providing business incubation services to community enterprises via short courses, trainings and workshops.

Maharakham University in North-eastern Thailand founded the University-Industry Cooperation Center; UIC (UIC-MSU) and offer a "one program one community" course that facilitates students and staff at the university to cooperate with local communities.

Prince of Songkla University, located in Southern Thailand, provides capacity-building in knowledge, technical and financial support. The support is mostly via trainings, workshops, short courses as well as incubation opportunity. For example, the Business Incubation Center (PSU, Science park) offers support for entrepreneurs by connecting research, innovation, technology and knowledge to their needs.

In Northern Thailand, Payap University offers a bachelor's degree Program in Social Enterprise Innovation and also has a Center for Social Impact.

5.2. Government

Given the significant differences in development, there are few commonalities in the way governments in Myanmar and Thailand are approaching the social enterprise sector.

5.2.1. Myanmar's Government

The current legal and policy environment for promoting the private sector is relatively weak in Myanmar and in the case of social enterprises even more so with no recognition or targeted support for the SEs. As a result, most SEs in Myanmar are registered as SMEs and can benefit from the following related government policies.

- The 2016 Myanmar Investment Law (effective from 2017) allows targeted incentives to promote priority subsectors and business models
- The Ministry of Commerce (MoC) promotes exports and consumer protection, establishes licensing procedures, and coordinates participation in foreign trade fairs and advancing Myanmar's National Export Strategy
- The SME Development Centre, under the Ministry of Industry, provides various incentives including credit facilities all over Myanmar to support small and mid-sized enterprises. The Center also provides capacity building trainings, business coaching and technical experts in cooperation with NGOs and INGOs such as Canadian Service Organization (CESO).
- The 2015 SME Development Law and the 2014 Law on Special Economic Zones (SEZs) establish preferential treatment for SMEs and businesses located in SEZs but do so irrespective of sector or business model.
- The Myanmar Investment Commission's (MIC) mandate includes reviewing all local and foreign investment applications above \$5 million and approving industrial zones.
- The Directorate of Investment and Company Administration (DICA) handles foreign and local company registrations

In addition, during 2020, the Government has been offering Covid-19 challenge loans to SMEs which are also available to SEs.

5.2.2. Thailand's Government

Over the past decade, the Thai government has been promoting social enterprises as a tool to help achieve the national targets for the sustainable development goals and thus improve the overall quality of life for Thai citizens. Social enterprises are viewed as an efficient and effective way for the government to work with the private sector.

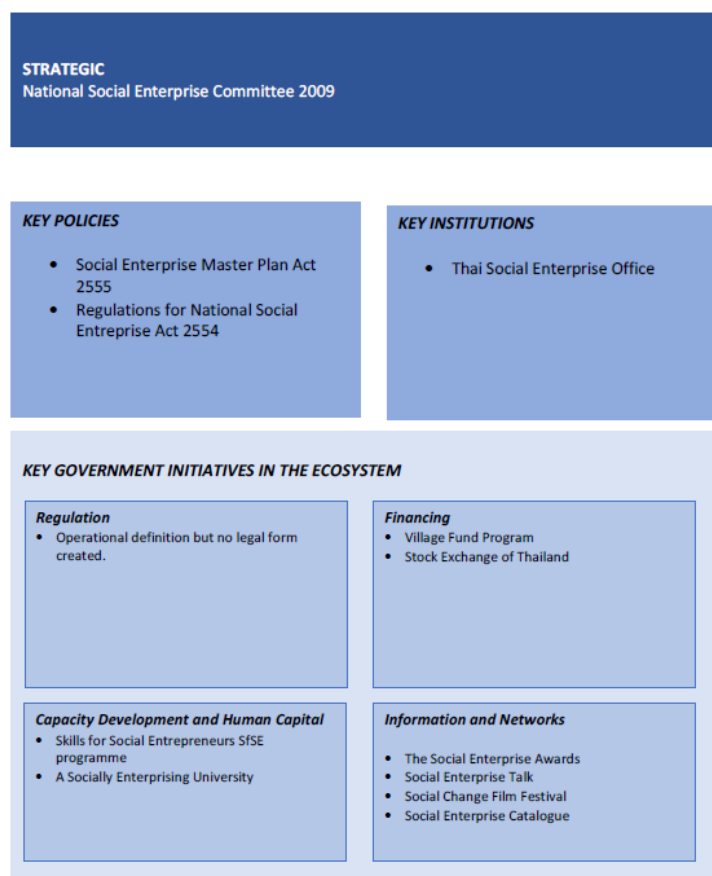


Figure 7: Thailand Social Enterprise Policy Frameworks

Source: Agapitova et al. 2017

In 2009 the National Social Enterprise Committee was created to increase awareness of the sector and facilitate access to finance. The Government also published a Social Enterprise

Master Plan Act 2555 for 2010–2014 in which it defined the strategies and policy guidelines to develop the social enterprise sector in the country. These included developing regulations, social and environmental indicators, intermediary organizations such as incubators, developing an educational curriculum for social entrepreneurs and facilitating access to capital by setting incentives for investors (Agapitova et al. 2017).

Between 2011 to 2017, the Thai government followed a policy of social enterprise reform and promotion. The National Reform Council (NRC) was the body appointed with the responsibility for reforming social enterprise law in Thailand, tasked with studying and recommending legislative action, and setting the vision and future direction of Thailand for the next 20 years.

The NRC conducted various public hearings, research projects and policy papers with the objective of creating a well-developed social enterprise ecosystem in which social enterprises are independent and self-sustainable, and not heavily reliant on government funding or private donations.

As can be seen from figure above (fig.9), key policy areas include

- Regulation including SE certification system and SE legal reforms
- Capacity development and human capital including social enterprise curriculums and Social innovation research systems
- Financing including social enterprise start-up grant program, SE fund, sustainable procurement program and tax relief for social enterprises and social investors
- Information and networks

5.3. Social Entrepreneurs

5.3.1. Myanmar's Social Entrepreneurs

Social entrepreneurs in Myanmar come from different backgrounds with varying levels of experience and are diverse both in gender and age. Many social entrepreneurs in Myanmar

start a social enterprise to tackle an identified social problem through developing an idea for a business that can fulfill a need not currently met in the community. They are mostly idealists and lack entrepreneurial knowledge and skills.

5.3.2. Thailand's Social Entrepreneurs

Social enterprises in Thailand have been generally founded by different groups or individual entrepreneurs who can be divided into 5 broad categories:

- **Social Entrepreneurs**

These social enterprises have been founded by individual social entrepreneurs because of specific social issues they wish to address. Many of these social entrepreneurs come from Gen Y, or Gen X and are particularly motivated to start a social enterprise by addressing social problems their family or community face.

Examples: OpenDream.com (using digital technology to innovate and develop tools targeted at areas of health, education, and livelihood) and LocalAlike.com (developing local host communities through community-based tourism tourism).

- **Community-based Social Enterprise and Network**

These social enterprises grow out of local enterprises, local tourism, cooperatives, and local financial organizations and are founded by larger groups or the community. Most SEs in Southern Thailand are registered as the community enterprises which developed from farmer groups. The founders of these SE's are generally from the older generations and are experts in agricultural production in crop, animal husbandry and fisheries.

Example: Klong Pia Savings Group (Microfinance providing funds to cover health, education, youth activities, occupations, welfare for the elderly, orphans and the disadvantaged, as well as funds to support the community's cultural conservation, infrastructure maintenance, and life-long learning programs)

- **Non-governmental Organization Social Enterprise**

These social enterprises are developed as income generation strategies of NGOs are were founded either by the employees of the organization or the NGO holds a share in the enterprise.

Examples: Doi Tung Royal Project (job creation, with profits being ploughed back into the hill-tribe communities to enhance health and education of the people and improve the environment) and Cabbage & Condoms (programs in primary health, education, HIV/AIDS, rural development, environment and water)

- **Governmental and State Social Enterprise**

These enterprises are founded by government agencies or the government/state enterprise holds a share in the social enterprise.

Example: Abhaibhubejhr Hospital Foundation (herbal product production, herbal product research and development, community development, social gap reduction, and environmental conservation)

- **Corporate Social Enterprise**

These social enterprises are developed and funded by corporations in Thailand who either seek to increase their social responsibility activities or focus on specific social issues within Thailand.

Example: Singha Park (Tourist attraction in Chiang Rai where Singha Corp is responsible for development, investment, marketing, and logistics while revenues flow back to the projects' employees and the communities)

5.4. Funders

In both Myanmar and Thailand, there are several funding options for social enterprises, from both public and private sources.

Table 6: Funding Actors in Myanmar and Thailand

Funder	Myanmar	Thailand
Government		Social Enterprise Promotion Fund National Innovation Agency
Impact Investment	Delta Capital, Anthem Asia, Emerging and Market Entrepreneurs	B-KIND Mutual Fund, Stock Exchange of Thailand, True Incube
Development Finance Institutions	DaNa Facility (UK), Denmark's Responsible Business Fund and Australia's Business Support Fund, JICA, Danish Investment Fund for Developing Countries, German Investment Cooperation, Insitor, Base of Pyramid Asia, and Asia Impact Investment Fund.	UNDP Thailand, ChangeVentures
International Foundations	Sasakawa Peace Foundation, Rockefeller Foundation, World Bank, USAID, and Yoma Strategic Holding	Ashoka Thailand, UnLtd Thailand
Local Foundations	KBZ Brighter Future Myanmar Foundation, KT Care Foundation and HTOO Foundation	Social Enterprise Investment Award, MaD Esan
Crowdfunding		tajjai.com

5.4.1. Funders in Myanmar

SEs in Myanmar have to rely on three main sources of funding for their operation: equity capital, loans, and philanthropy and mission-driven support, mostly in the form of grants.

Private Impact Venture Capital Funds currently active in Myanmar include Delta Capital, Anthem Asia, Emerging and Market Entrepreneurs. There are also Development Finance Institutions such as DaNa Facility (UK), Denmark's Responsible Business Fund and Australia's Business Support Fund, JICA, Danish Investment Fund for Developing Countries, German Investment Cooperation, Insitor, Base of Pyramid Asia, and Asia Impact Investment Fund.

International foundations like Sasakawa Peace Foundation, Rockefeller Foundation, World Bank, USAID, and Yoma Strategic Holding and local corporate foundations such as KBZ Brighter Future Myanmar Foundation, KT Care Foundation and HTOO Foundation are moving towards more strategic social investment.

Despite the relatively increasing number of funders, SEs in Myanmar still face some funding challenges. Firstly, SE have to compete with SMEs to obtain funding from government loans. Secondly, although between 2007-2017 Myanmar saw 15 impact investing deals, the second highest number in Southeast Asia, it received the second lowest amount of capital at USD 26 million indicating small deal sizes (AVPN, 2018). Lastly, SEs are handicapped by the lack of business knowledge to apply for funding and a lack of impact measurement required by many impact investors.

5.4.2. Funders in Thailand

Thailand's first socially responsible investment mutual fund, B-KIND, was established in 2014 in collaboration with BBL Asset Management (BBLAM) and Khon Thai Foundation and is governed by principles of Environment, Society, Good Governance, and Anti-Corruption (ESGC). 40% of the mutual fund management fee or 0.8% of the mutual fund value are allocated to support a wide range of social service organizations that meet sustainability criteria and have potential to multiply impact at wider scale, including social enterprises⁷.

The Social Enterprise Promotion Act. BE 2562 requires the setting up of a Social Enterprise Promotion Fund. The fund relies on the following sources: 1) contributions from the social enterprise themselves (as of June 2020, the exact amount has yet to be announced). 2) administrative fines. 3) donated money or assets. 4) income from the financial management of the fund's assets. 5) other funds or assets received from the private sector both within the country and abroad, such as foreign governments or international organizations.

⁷ <http://khonthaifoundation.org/en/causes/bblam/>

The current Crowdfunding regulation in Thailand was issued under the Securities and Exchange Act B.E. 2535, supervised by the Securities and Exchange Commission (SEC) which aims to prevent negative impacts from crowdfunding investment. The SEC regulated crowdfunding space is exclusively focused on debt and equity-based types of investment. However, there are both domestic crowdfunding portals, such as ChangeFusion's taejai.com and international portals such as kiva.org, which offer a way for social investors to finance social enterprises on a reward or donation-based model.

Social enterprises that seek to conduct fundraising activities must also ensure compliance with the Fundraising Control Act B.E. 2487 (1944), which is the applicable law governing fundraising, a regulated and licensed activity in Thailand.

Additionally, there are several seed funding options available for Thai start-ups that are offered through incubation programs (UnLtd Thailand) and business plan competitions (Banpu Champions for Change). According to Doherty & Chirapaisarnkul (2016) this funding is often too short-term for social enterprises that require long-term capital investment support through their start-up and scaling phases. There are also SE ecosystem actors such as Change Ventures and the LGT Venture Philanthropy Accelerator Programs, but such funding is still limited and mainly focused on providing pre-growth and growth-stage funding.

Finally, The Stock Exchange of Thailand (SET) recommends its listed companies to make investment into social enterprises and in 2015 established the Social Enterprise Investment Award granted to listed companies successfully investing in social enterprises, with benefits and positive impact on society.

5.5. Local Communities

Historically, Thailand's social enterprises have mainly grown organically out of community-based initiatives. One such initiative, 'One Tambon (meaning sub-district) One Product'

(OTOP), is a local entrepreneurship stimulus program that aims to support the unique locally made and marketed products of Thai sub-districts all over Thailand.

In Myanmar, the developing social enterprise scene is driven by the challenges communities face such as high unemployment particularly in rural areas and among the young people with lower skills and productivity, limited access to basic utilities such as health-care services, electricity, fuel, education, and so on. This has led to a dramatic population shift with many young people leaving for the larger towns or across the border to Thailand to seek employment and education.

In terms of developing social enterprises, village communities in both countries face the complex realities of trading beyond their borders which brings challenges such as delivery deadlines, quality control, production capacity, design preferences and marketing.

Additionally, local communities need to decide whether these enterprises become a full-time occupation or just income supplementation. Traditionally many villagers make products either for their own use or to be sold locally. These grassroots products are made during down time when farming or housework has been completed. Hence, production capacity and the ability to supply the volume of products required to sustain an enterprise becomes an issue. An example of this in Myanmar is a Community-Based Tourism (CBT) project being developed by Action Aid Myanmar in four villages in Myaing Township, Magway Region to create employment opportunities for local women.

5.6. Enabling Organizations

Within both the Myanmar and Thailand social enterprise ecosystem, there are several enabling actors supporting the development of social enterprises:

Table 7: Enabling Organizations in Myanmar and Thailand

Myanmar	Thailand
British Council is an international organization supporting social enterprises through research, awareness, consultancy programs and education	Ashoka Foundation is a non-profit organization that supports various initiatives in the Social Entrepreneurship sector
Social Entrepreneurship Development Association Myanmar (SeDAM) provides trainings, consultancy, forums particularly aimed at SEs, networking sessions, and market creation for SEs	The School of Changemakers (SoC) provides mentoring for those who are interested and are keen on initiating social projects or activities
DaNa Facility supports funds to SEs through implementers, but also gives grants and technical assistant to SEs	The ChangeFusion Group consists of organizations that share the mission of building impact innovations to rebalance economy, society, and nature
AVPN is a funder network and leading ecosystem builder with the aim of increasing the flow of capital into the social sector and providing an SE development toolkit to build the capacity of social enterprises	The Thailand Social Innovation Platform (TSIP) , part of the United Nations Development Program (UNDP) in Thailand, provides access a unique eco system of entrepreneurs, corporations, start-ups, universities, foundations, non-profits, investors, etc.
CESO programs focus on the development of SMEs to develop their capacity to improve business competitiveness	The Social Enterprise Thailand Association (SE Thailand) aims to enable Thai social enterprises to grow their businesses while tackling social and environmental problems
YK collection offers Community Mobile Centers in rural areas of Myanmar to provide capacity-building trainings to villagers	The Mae Fah Luang Foundation under Royal Patronage (MFLF) is a private non-profit organization established to improve the quality of life of marginalized communities
Project Hub Yangon is a business incubator and social enterprise community center that provides learning opportunities and community events for entrepreneurs as well as a co-working and collaboration space.	The Office of Social Enterprise Promotion is responsible for providing advice, capacity-building and promotion of social enterprises as well as managing the new social promotion fund
Hamsa Hub is a Myanmar-based responsible business consulting firm providing strategic consultancy and support to the private sector, government, and NGOs	SET Social Impact Platform aims to connect the capital markets and society towards collaborative sustainable growth, while supporting potential social entrepreneurs
Myanmar Young Entrepreneur Association (MYEA) is a leading organization building up the entrepreneurship ecosystem in Myanmar	Yunus Thailand works with large corporations to create joint-venture, non-dividend subsidiaries to solve human problems
Myanmar Women Entrepreneur Association (MWEA) is a strategic alliance of businesswomen and women of academic that give the association a very firm foundation for women development appropriate for meeting the challenges of a global society	Nisecorp SE Company Limited (NISE) promotes network partners in the public, private and social sectors to drive the development of the social enterprise sector
	The World Fair Trade Organization, Asia (WFTO Asia) is a regional network of organizations that represent the Fair-Trade supply chain from Producer to Exporters, wholesalers, and shops

In term of regional enabling organizations, below are examples of organizations that support their local social enterprise ecosystem.

Table 8: Regional Enabling Actors in Myanmar and Thailand

Region	Organization
Eastern Thailand	BUU Research Center, Academic Service Center by Intellectual Property and Technology Transfer Office Chamber of Commerce
North Eastern Thailand	University-Industry Cooperation Center; UIC (UIC-MSU)
Southern Thailand	WANITA Economic Empowerment Academy PSU Science Park
Northern Thailand	Center for Social Impact – Payap University Social Entrepreneur Network Chiang Mai Chiang Mai Social Enterprise Company
Southern Myanmar	Social Innovation Support Unit (SISU) -Thanlyan Cooperative University Social Innovation Support Unit (SISU) - Yangon University of Economics
North - Central Myanmar	Mandalay Region Chamber of Commerce and Industry, Initiative SE network – University of Mandalay

6. Social Enterprise Regulatory Environment

The major difference between Myanmar and Thailand in regard to the regulatory environment is that Thailand has specific regulatory framework for the development of SEs while Myanmar does not.

6.1. Thailand's Social Enterprise Regulatory Environment

On May 22, 2019, the Social Enterprise Promotion Act 2562 (2019) was enacted into Thai law. This new act now regulates the definition, promotion, support, and funding of social enterprises in Thailand and is broadly divided into six sections covering key areas under government mechanisms and the social enterprise sector itself: (fig.10)



Figure 8: Summary of Social Enterprise Promotion Act 2019

Source: Rojphongkasem (2019)

Social Enterprise Registration is possible for organizations intending to register as social enterprise, but they must meet the following conditions (fig.11).

1. They must be a legal entity (juristic person under Thai law)
2. They must have a social purpose in setting up the business
3. At least 50% of revenue should come from selling products or services
4. No less than 70% of profits must be reinvested back for social purposes
5. Good governance
6. Applicants must not have had a business registration application revoked within the past 2 years
7. No composition of over 25% of senior management who were part of an entity that had its business license revoked

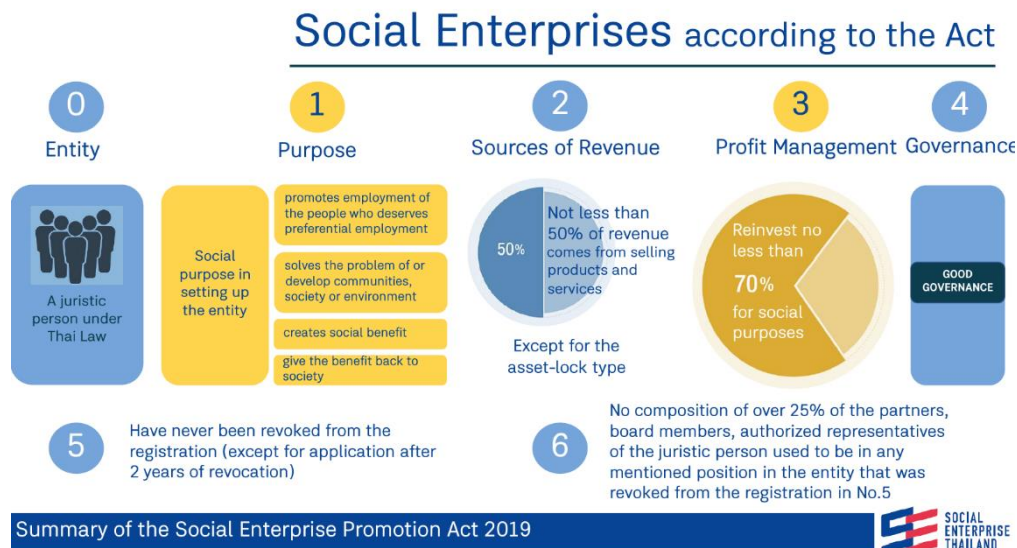


Figure 9: Definition of Social Enterprises - Social Enterprise Promotion Act 2019

Source: Rojphongkasem (2019)

6.2. Myanmar's Social Enterprise Regulatory Environment

At the present time (2020), there is no separate clear-cut regulatory framework for the development of SEs in Myanmar. The regulatory environment of SEs is largely influenced by the SME policies as well as the Myanmar Sustainable Development Plan (MSDP). Within the plan, the following five MSDP goals serve as the guidelines in implementing socio-economic reforms including the development of SEs in Myanmar:

Goal 1: Peace, National Reconciliation, Security and Good Governance

Goal 2: Economic Stability and Strengthened Macroeconomic Management

Goal 3: Job Creation and Private Sector-Led Growth

Goal 4: Human Resources and Social Development for a 21st Century

Goal 5: Natural Resources and the Environment for Posterity of the Nation Society

To implement the above-mentioned MSDP goals, Myanmar's government enacted the Small and Medium Enterprises Development Law in 2015 and SEs can benefit from incentives

provided by this legislations such as preferential loans, tax relief, human resources and training, linkages with large companies and technological transfer.

7. Impact Measurement

7.1. Impact Measurement in Thailand

According to the 2018 report “Mapping the social impact investment and innovative financial landscape in Thailand” funded by the United Nations Development Program, 54% of social enterprises in Thailand who were interviewed had no specific framework in place to measure their impact (see fig. 12 below). Reasons given for this included the lack of time and resources (69%) followed by the lack of knowledge to implement impact assessment (47%). In addition, the lack of requirement for this kind of reporting by investors and intermediaries means many social enterprises have not invested in implementing rigorous measurement frameworks (ChangeFusion 2019).

Impact Assessment by Thai Social Enterprises

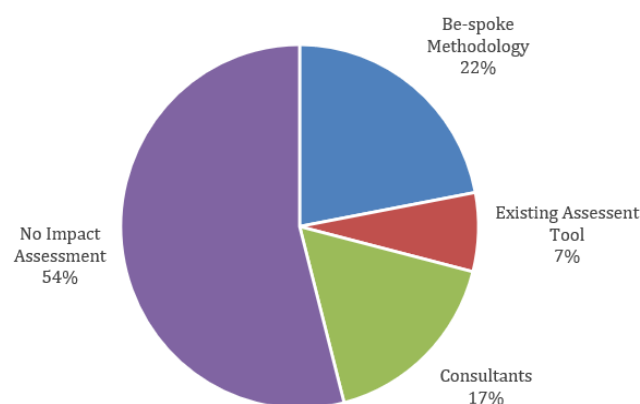


Figure 10: Impact Assessment

Source: ChangeFusion (2019)

In addition, many social enterprises measure outputs and outcomes such as increases in income, wellness, education, etc. While these measures are useful in gaining an understanding of the program/enterprise’s success, they do not necessarily show long-term positive impact on the target beneficiaries and their communities.

Some of the social impact measurement tools being used by social enterprises in Thailand include standard Social Return on Investment (SROI) indicators as well as indicators developed by the Stock Exchange of Thailand (the SET launched a program called Impact Echoes which aims to measure the social impact of 22 selective non-profit organizations, social enterprises, and Thai-listed firms).

In addition, the Thai government's National Innovation Agency (NIA) assigned the Sal Forest social enterprise, together with the Thammasat University Research and Advisory Institute and OpenDream, to create an online social impact assessment tool, the Social Impact Explorer (SIE), which went live in 2019⁸. This tool provides Social Impact Assessment (SIA) and Social Return on Investment (SROI) systems for projects that aim to create social outcomes for both government and public sectors as well as private and non-profit organizations.

7.2. Impact Measurement in Myanmar

There is currently very little information available on the social impact measurement of social enterprises in Myanmar. One report by Impact Hub Yangon (2019) gives an overview of the contribution SEs make to the economy claiming that SEs in Myanmar help by reducing inequality (62%), poverty reduction by 38%, responsible consumption and production by 36%, decent work and economic growth by 33%, followed by industry innovation and infrastructure (28%), quality education (22%), sustainable cities and community (22%), gender equality (21%), health and well-beings (9%), climate change and others in smaller portions.

⁸ <https://socialimpact.nia.or.th/>

8. SWOT Analysis of the Social Entrepreneurship Sector

8.1. Methodology

To analyze the status quo of the social enterprise ecosystem in Myanmar and Thailand it is necessary to take account of multiple stakeholder's voice. Hence a focus group discussion (FGD) method was employed that allows participation from different stakeholders who are highly involved with the development of social entrepreneurship in both countries. The objective of the FGD is two-fold: to assess the current situation of social enterprises in Myanmar and Thailand and to address opportunities and challenges faced by these organizations.

To achieve the above objectives, both quantitative and qualitative research methods were utilized in this study. Primary data was collected through FGDs at each of the four Thai Partner Universities (Payap, Prince of Songkla, Burapha and Mahasarakham universities) and the two Partner Universities in Myanmar (University of Mandalay and National Management Degree College). The FGDs had a total of 42 participants (not including partner university participants) from 38 different external stakeholders of social entrepreneurship in Myanmar and Thailand including government experts, enabling organizations, industrial associations, academics, and social entrepreneurs (table.9 below).

Qualitative data was gathered from pre-arranged questions and discussion points to gather the participants opinions, attitudes, and ideas on social entrepreneurship in Myanmar and Thailand. In addition, participants were also asked to complete an online survey to generate quantitative data on the participants perceptions of the state of social enterprises in both countries. The survey was based on questions taken from a recent study conducted by Thomson Reuters Foundation which surveyed 45 of the world's biggest economies as ranked by the World Bank to find out which countries are creating the best environment for social entrepreneurs⁹. A total of 55 respondents in Myanmar and Thailand completed the survey.

⁹ <https://poll2019.trust.org/>

Table 9: Focus Groups at Project Partners in Thailand

Partner Name	Participants	Organizations
Burapha (BUU)	7	<ul style="list-style-type: none"> Department of Industrial Promotion District 9, Ministry of Industry Agarwood Farmer Group (SE) Takhiantia Community Enterprise Thai Beverage, Learn Singha Local Smile Community Chantaburarak (SE) Co., Ltd
Maharakham (MSU)	9	<ul style="list-style-type: none"> Maharakham Provincial Agricultural Agency University Industry Co-operation Center (UIC-MSU) Maharakham Provincial Agricultural Extension office Khoeila Banana Flour Evergreenfood co.,Ltd
Payap (PYU)	6	<ul style="list-style-type: none"> Buddy Homecare(SE) Ban Dek Foundation (SE) STEP CMU
Prince of Songkla (PSU)	6	<ul style="list-style-type: none"> Office of Agricultural Extension and Development, No. 5 Songkhla Province, Songkhla Provincial Agriculture and Cooperatives Office Bank for Agriculture and Agricultural Cooperatives Student Entrepreneur Development Academy (P-SEDA), PSU Science Park Business Incubation Center (PSUBIC), PSU Science Park Farmer Market Manager (Certified by Ministry of Natural Resources)

Table 10: Focus Groups at Project Partners in Myanmar

Partner Name	Participants	Organizations
National Management Degree College	7	<ul style="list-style-type: none"> Micro, Small and Medium Enterprises Development Department, Yangon Myanmar Women Entrepreneurs' Association Social Enterprise Development Association Myanmar (SeDAM) National Management Degree College Dana Facility Myanmar YK Collection Myanmar Youth Empowerment Opportunities
University of Mandalay	7	<ul style="list-style-type: none"> Mandalay Region Chamber of Commerce & Industry (MRCCI) Myanmar Coffee Group Co. Ltd. Ministry of Investment and Foreign Economic Relations, Mandalay Region Nature Myanmar (Palm Leaf Tableware) Cooperative University, Sagain Proximity Designs Social Business United Nations Conference on Trade and Development (UNCTAD)

8.2. SWOT Analysis

From the seven focus group discussions, the following SWOT analysis of the social entrepreneurship sector in Myanmar and Thailand was developed:

Table 11: SWOT Analysis

<p>Strengths (Common)</p> <ul style="list-style-type: none"> • Social enterprises already play an important role in community development • Availability of distinctive and unique raw products and natural resources • Innovation and creativity among new generation of social entrepreneurs • Developing social entrepreneurship educational sector <p>Strengths (Thailand)</p> <ul style="list-style-type: none"> • Legal framework for social enterprises (Community Enterprise Promotion Act, B.E. 2548 and Social Enterprise Act, B.E. 2562) • Increasing financial support / funding by government/provincial agencies (Thailand 4.0) • Strong social enterprise groups have potential to develop and expand their business internationally 	<p>Weaknesses (Common)</p> <ul style="list-style-type: none"> • Lack of understanding outside the SE ecosystem of the role of social enterprise (e.g. CSR vs. SE) • Differing definitions of SE at the local, regional, or country level • Limited business knowledge and skills within the social entrepreneur community, especially those linked to NGOs or foundations • Limited product development know-how • “Mission Drift” and related conflict when NGO/Foundation transition to social enterprise business • Lack of transparency in financial management • Limited capability to access available funding (cost/skills/knowledge) • Often products sold by SE lack quality standardization (pity-buy) • Limited measurement of social impact • Concentration of networks and supporting actors in major cities (Bangkok/Yangon) <p>Weaknesses (Myanmar)</p> <ul style="list-style-type: none"> • There is little mapping of the SEs in Myanmar • There is little consideration for social and environmental impacts and impacts on ethnic groups • There is no legal recognition for SEs
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<p>Opportunities (Common)</p> <ul style="list-style-type: none"> • Change in customers buying behaviours as a result of Covid-19 (more online purchasing, etc.) • Cooperation/exchange with global social entrepreneurship projects/partners • Promotion of value adding through story-telling and product/service uniqueness • Government policy to attain the SDG's may lead to a larger role for SE's • Increasing awareness of Stakeholder capitalism and responsibility of "big business" <p>Opportunities (Myanmar)</p> <ul style="list-style-type: none"> • Government online registration system to encourage nascent investments • High demand for micro-financing • Increasing level of household income and purchasing power • US and EU are interested in some SE products from Myanmar <p>Opportunities (Thailand)</p> <ul style="list-style-type: none"> • Current Government policy to promote and support social enterprises (especially during this time of Covid-19) • Public Private Partnership (PPP) support for developing social business at scale • Increasing poverty-levels and wealth-gap will promote SE as a viable tool to address these issues 	<p>Threats (Common)</p> <ul style="list-style-type: none"> • Difficulty to obtain information about government support (policies, rules and regulations for SEs are unclear) • Multistep and complicated loan approval process (condition requirement/guarantee system/risk assurance) • Lack of an integrated collaboration between public sector agencies • Covid-19 pandemic and resultant loss of income for SE's (especially in related industry such as tourism) • There is no appropriate skilled workforce <p>Threats (Myanmar)</p> <ul style="list-style-type: none"> • Lack of Government support (funding/tax incentives/SE Law) • There is no quality assurance program for SEs in Myanmar <p>Threats (Thailand)</p> <ul style="list-style-type: none"> • New SE Promotion Act complicated rules and regulation
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8.3. Social Entrepreneurship Survey

The online survey based on the Thomson Reuters Foundation's work asked respondents to rate the following 12 statements based on common challenges social business face:

- Conditions are favorable for social entrepreneurs to start and grow their businesses in Myanmar/Thailand

- Government policy supports social entrepreneurs in Myanmar/Thailand
- It is easy for social entrepreneurs to get grant funding in Myanmar/Thailand
- It is easy for social entrepreneurs to access investment (debt and/or equity) in Myanmar/Thailand
- Social entrepreneurs can access the non-financial support they need (e.g. financial, legal and technical advice; access to markets and networks; coaching, mentoring and training) in Myanmar/Thailand
- It is easy for social entrepreneurs to sell to government in Myanmar/Thailand
- It is easy for social entrepreneurs to sell to business in Myanmar/Thailand
- It is easy for social entrepreneurs to sell to the public in Myanmar/Thailand
- It is easy for social entrepreneurs to attract staff with the required skills in Myanmar/Thailand
- The public in Myanmar/Thailand understands what social entrepreneurs do
- Social entrepreneurs can make a living from their work in Myanmar/Thailand
- Social entrepreneurship is gaining momentum in Myanmar/Thailand

Below are the results of the survey:

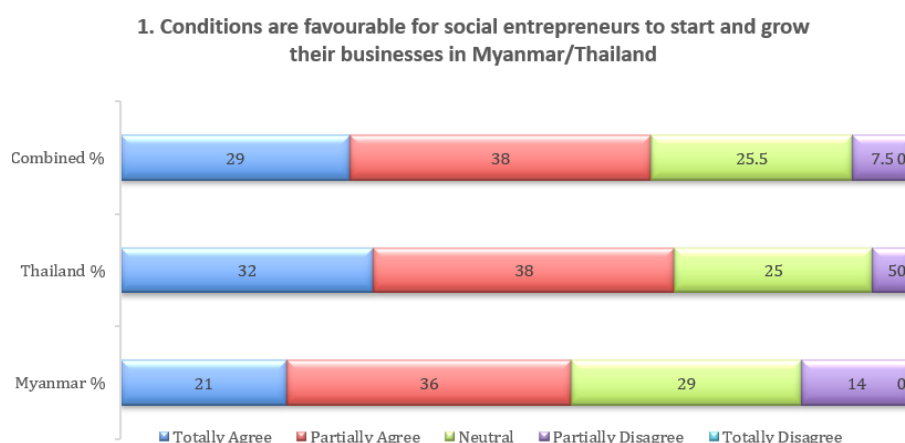


Figure 11: Favorable Conditions

The opinions of the respondents in both Myanmar and Thailand were similar with most of them having a positive outlook with regards to the conditions social entrepreneurs face when starting and growing their enterprises.

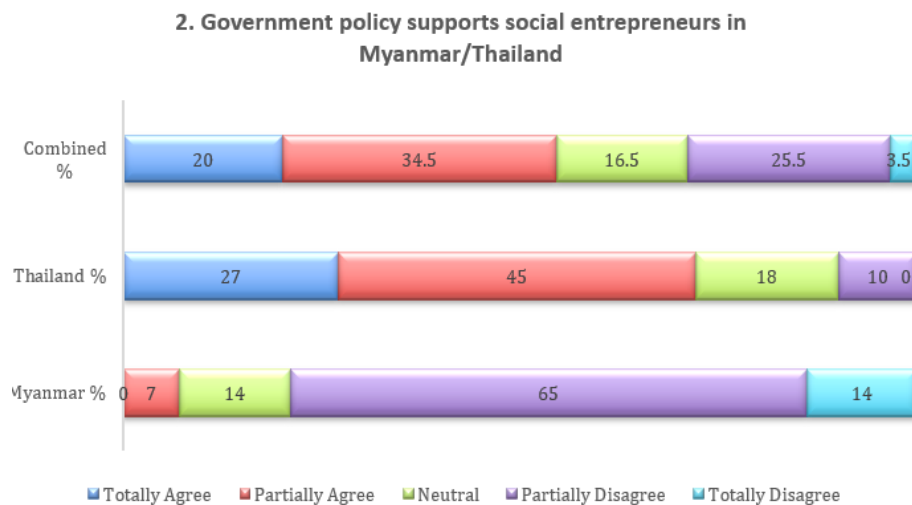


Figure 12: Government Policy

Respondents in Myanmar had a very different opinion from those in Thailand on the statement of government support for social enterprises with 79% either totally or partially disagreeing as opposed to Thailand, where 72% totally or partially agree.

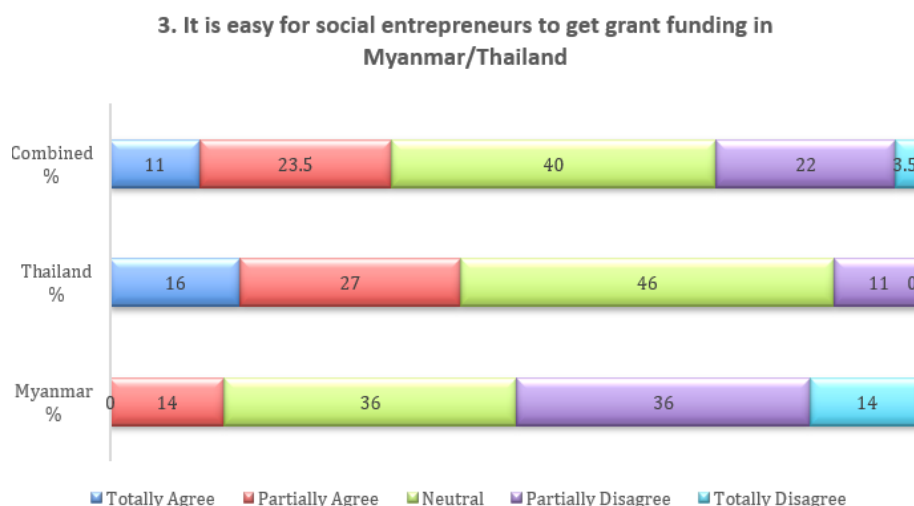


Figure 13: Grant Funding

Given the more advanced nature of the SE ecosystem available to Thai social enterprises, it is to be expected that 43% of the Thai respondents had a favorable opinion to this statement compared to only 14% in Myanmar.

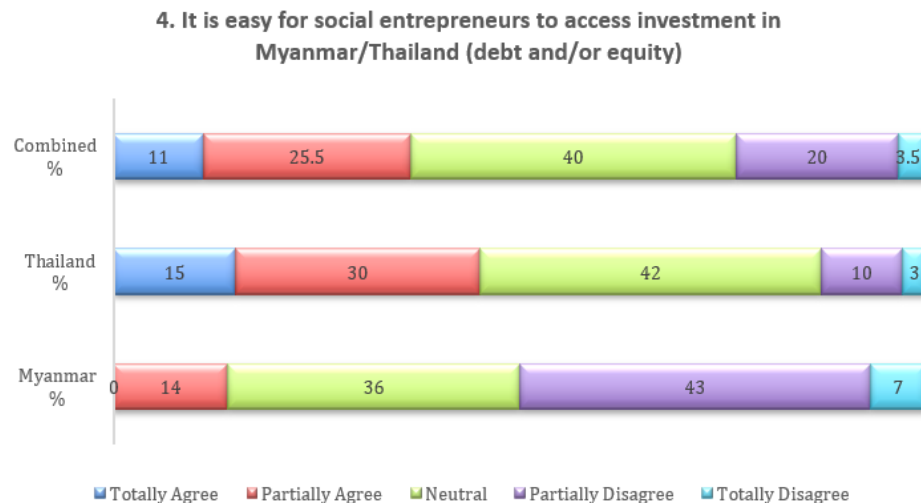


Figure 14: Investment

As with the previous statement on grant funding, respondents in Thailand had a more favorable opinion of access to investment funding (45%) as opposed to just 14% in Myanmar.

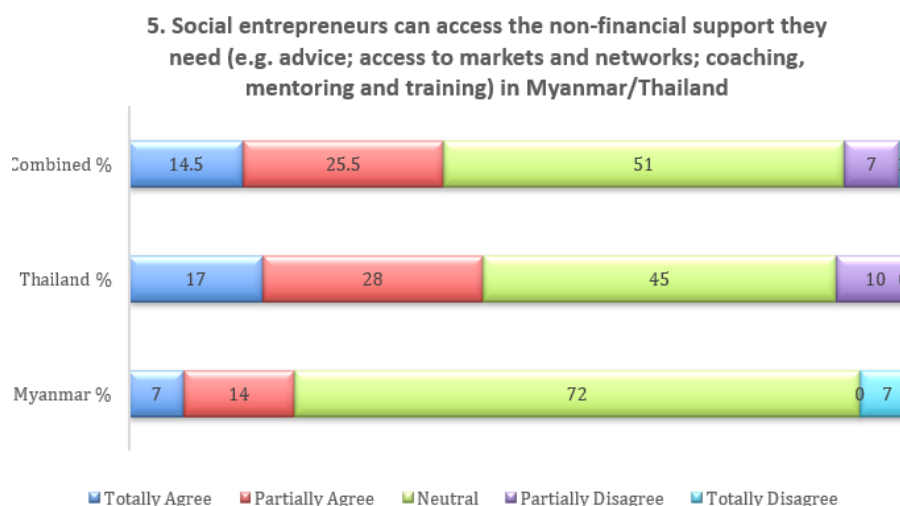


Figure 15: Non-financial Support

Overall, many of respondents in both Thailand and Myanmar had a neutral opinion (51%) of this statement regarding access to non-financial support for social enterprises. However, Thai respondents still had a more positive outlook with 45% either totally or partially agreeing while in Myanmar it was only 21%.

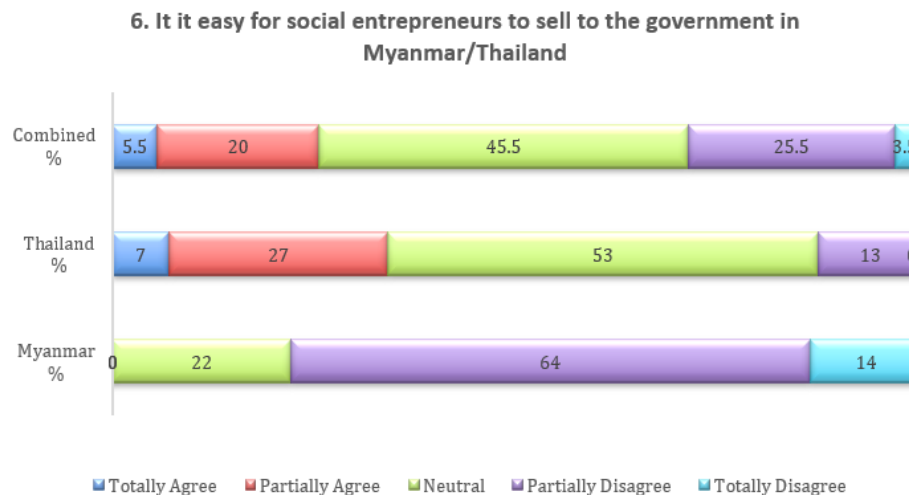


Figure 16: B2G

In terms of ease of social enterprises selling to their governments on B2G contracts, no respondents in Myanmar agreed with the statement and the vast majority either totally or partially disagreed (78%). Thai respondents had a very different outlook with 34% either totally or partially agreeing and over half (53%) remaining neutral.

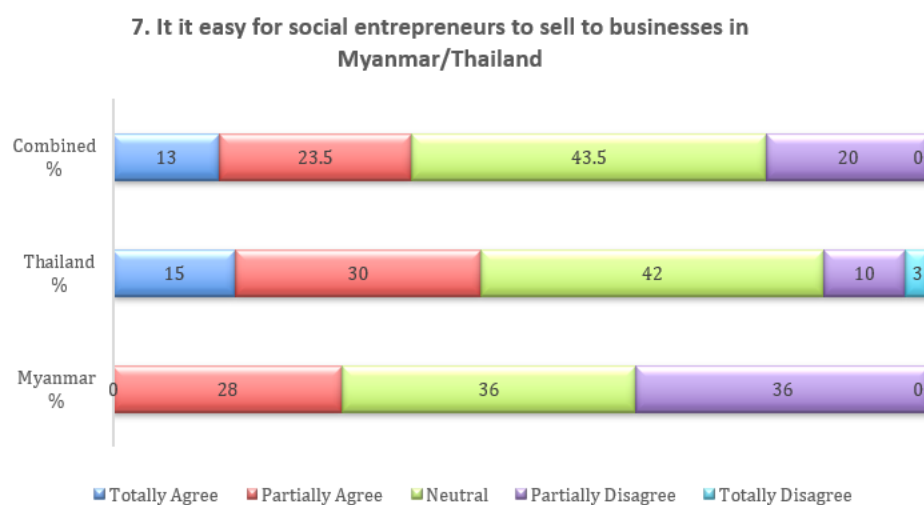


Figure 17: B2B

The results of this statement are not too dissimilar from Thailand to Myanmar with many respondents choosing neutral. However, Thai respondents were more favorable overall with 45% compared to 28% in Myanmar.

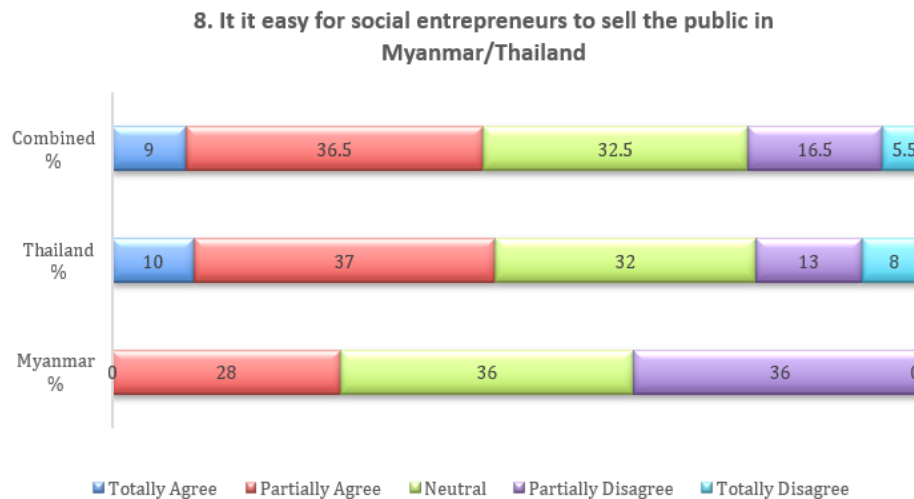


Figure 18: B2C

Both Thailand and Myanmar had around a 1/3 of respondents choosing neutral. However, while 47% of respondents in Thailand either totally or partially agreed with the statement, only 28% did in Myanmar.

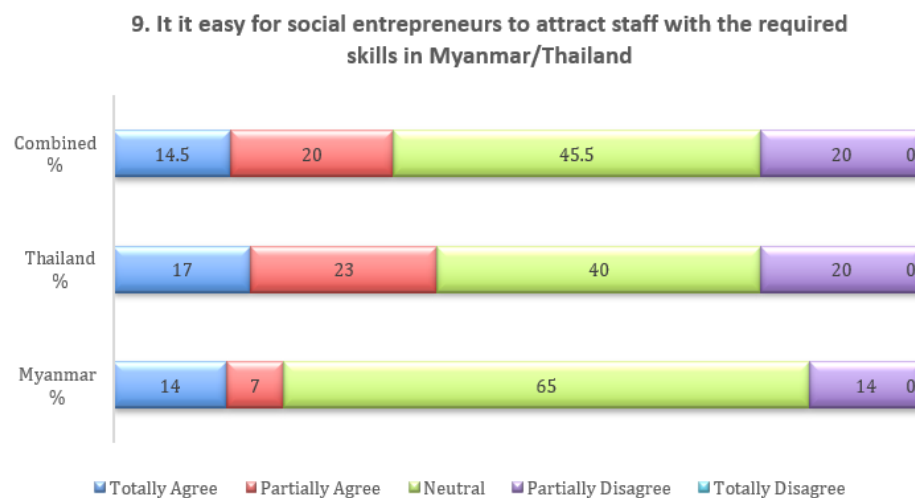


Figure 19: Skilled Staff

Respondents in both Myanmar and Thailand had a less positive outlook on the availability of skilled staff in their countries with 79% in Myanmar and 60% in Thailand answering either neutral or partially disagree.

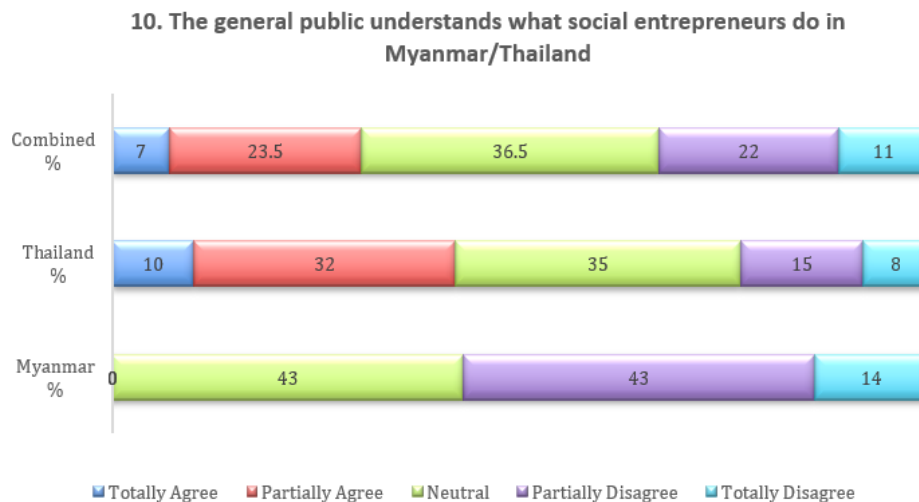


Figure 20: General Public

From the responses to the statement regarding the general public's understanding of what social entrepreneurs do, it seems that there is a need for more effective communication, especially in Myanmar, where a majority of respondents (57%) answered either partially or totally disagree.

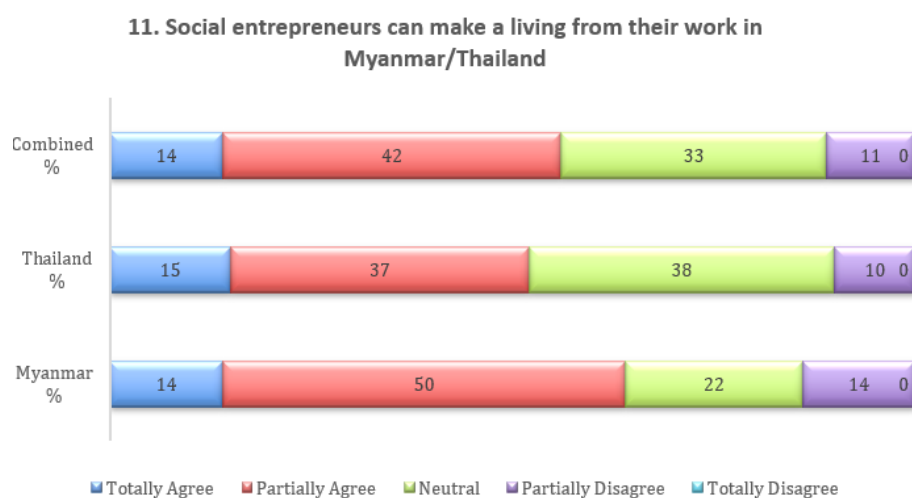


Figure 21: Making a Living

The answers to this statement regarding the ability of social entrepreneurs to make a living from running a social enterprise were overall positive. 64% of respondents in Myanmar and 52% in Thailand either partially or totally agreed with the statement. with no one totally disagreeing and only 11% combined expressing partial disagreement.

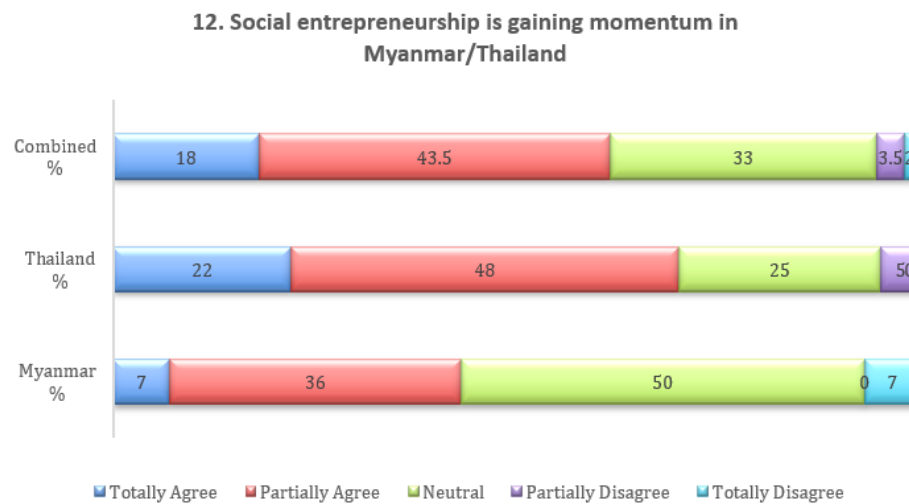



Figure 22: Momentum

Overall, the answers to the statement on social entrepreneurship’s momentum in Myanmar and Thailand were very positive. 70% of the Thai respondents agreed with the statement, while although just 43% agreed in Myanmar, 50% of those respondents had a neutral outlook and only 7% disagreed.

9. Common Drivers and Challenges

From the results of the Social Entrepreneurship survey, SWOT analysis, focus group discussions and literature reviews, the key challenges facing the SE ecosystem in Myanmar and Thailand can be summarized as follows:

Table 12: Key Challenges

		
<p>It is not that easy for social entrepreneurs to get grant funding or to access investment or loans due to a multistep and complicated loan approval process (condition requirement/guarantee system/risk assurance)</p>	<p>Government policies in Myanmar are not supportive of social entrepreneurs (lack of (funding/tax incentives/SE Law) and there is no legal recognition of SEs and little mapping of the SE ecosystem</p>	<p>It is difficult for social entrepreneurs to access a labor force with the required skills in Thailand</p>
<p>It is difficult for social entrepreneurs to obtain information about government support (policies, rules and regulations for SEs are unclear) and there is lack of integrated collaboration between public sector agencies</p>	<p>There is little consideration for social and environmental impacts and impacts on ethnic groups</p>	<p>The new SE Promotion Act has complicated rules and regulations which may discourage social entrepreneurs from applying for SE status and assistance</p>
<p>There is a lack of understanding outside the SE ecosystem of the role of social enterprise (e.g. CSR vs. SE) and a lack of a common definition of what exactly an SE is (Differing definitions of SE at the local, regional, or country level)</p>	<p>Higher educational Institutions currently have little involvement in both delivering the next generation of social entrepreneurs and supporting the development of the SE ecosystem</p>	
<p>The Covid-19 pandemic has resulted in a loss of income for SE's (especially in related industry such as tourism)</p>		

10. GAP Analysis

The following GAP analysis was developed based on the challenges the SE ecosystem faces in both Myanmar and Thailand.

Desired

Skilled and Successful Social Entrepreneurs

- A Social Enterprise ecosystem in Thailand and Myanmar that has access to a skilled workforce and in which potential social entrepreneurs have the required business knowledge to create innovative, scalable and impactful social enterprises.

Current

Lack of Qualified Staff/Knowledge

- In both the primary and secondary research outcomes, a lack of required skill sets by both the social entrepreneurs and business founders, as well as employees, is seen as a major cause for concern. Many of these social entrepreneurs come from the non-for-profit arena and do not always have background business knowledge in finance, marketing, product development and human resource management.

Action

Sustainable Capacity-building

- Capacity-building activities in the form of workshops, seminars and programs that utilize tools such as the social business model canvas, value proposition canvas, etc., to develop both the skills of the entrepreneurs and also aid in the viability of the social enterprise itself through a rigorous framework of business feasibility study. Moreover, to ensure the sustainability of the SEs, these capacity-building activities need to be continuous, and involve long-term coaching and mentoring of the participants. In addition, a train-the-trainer program should be developed to ensure a multiplier effect and to increase the number of participants able to benefit from the trainings.



Desired

Access to Crowdfunding Ecosystem

- Social entrepreneurs in Myanmar and Thailand will have access to crowdfunding opportunities as an alternative source of raising funding or investment.

Current

Limited opportunities/access for funding

- Funding for SEs is either limited or somewhat difficult to access, takes up significant resources to apply for and manage and comes with conditions that are not always in line with the founding entrepreneurs vision or philosophy. Crowdfunding can be a valuable channel for social enterprises to raise capital in a far more innovative and cost-effective way, especially for those enterprises distant from metropolitan areas. Although there are already crowd-funding portals available (taejai.com in Thailand and kiva.org internationally), many SEs are either unaware of them or feel they lack the digital skills and knowledge to use them.

Action

Crowdfunding Capacity-building

- Provincial centers of SE support offer capacity-building in finance to provide skills, confidence and opportunities to social enterprises looking to raise capital in a more cost-effective and direct way.

Desired

Engaged and Supportive HEIs

- HEIs in Myanmar and Thailand will develop the next generation of 'change makers', who will be equipped with the skills, awareness and drive to improve society and help achieve the SDGs their respective countries have committed to.

Current

Limited HEI Engagement with SE Ecosystem

- While there are several universities in Thailand already offering degree programs in SE and hubs supporting social businesses, the numbers are still minimal. The picture in Myanmar is quite different with as yet no specific degree programs or centers.

Action

Social Enterprise Knowledge Hubs

- Develop resource hubs at the partner universities for social enterprise practitioners and engage stakeholders from all sectors to tackle social issues. This can be achieved by facilitating interactions across various sectors such as policy makers, practitioners, academia, funders and the general public to promote and support social enterprises and other positive social impact initiatives. Universities need to develop new and innovative programs, courses and degrees that will link students with SE actors through internships, work-placement, cooperative education are more. Universities also need to serve as champions of the sector by raising awareness with the general public, government agencies and the business world of both the idea of social enterprise and the potential solutions social entrepreneurs can develop to address the challenges societies face in Myanmar and Thailand.

Desired

Regional SE Support Ecosystem

- A regional or local SE support ecosystem that provides access to both financial and non-financial support to aspiring and established social entrepreneurs and acts as a "bridge" between the various stakeholders in the ecosystem such as government, the general public and business.

Current

Centralised SE Support System

- Many SE ecosystem players are located in the metropolitan areas of Bangkok (Thailand) and Yangon (Myanmar). Most training courses, incubation and acceleration programs and other activities offered by these enabling organizations are for the most part inaccessible to SE actors in other areas. As such, many SEs that are focused on marginalized communities in these areas lack an adequate support infrastructure.

Action

Regional SE Networks

- Develop and operate regional/local networks of SE ecosystem actors to increase access and opportunity to an SE ecosystem for those already existing social enterprises and social entrepreneurs who are planning to create one. The networks will act as a "bridge" between the various stakeholders in the ecosystem such as government, the general public and business.

Desired

Meaningful Impact Measurement

- Social entrepreneurs in Myanmar and Thailand will measure and assess the positive impact they are having on their beneficiaries and use the results to improve their business models or impact programs as well as in story-telling and investment applications

Current

Limited Impact Measurement

- Many social enterprises in Myanmar and Thailand currently have no specific framework in place to measure their impact. Reasons given for this have included the lack of time and resources as well as a lack of knowledge to implement impact assessment.

Action

Impact Measurement Capacity-building

- Implement training courses for social enterprises on either SROI or other social impact key performance indicators. Not only will this enable the SE to measure their performance in both the short and long-term, but it will also be a valuable tool for SE to conduct effective marketing through storytelling and awareness campaigns. Given the increasingly competitive nature of social impact projects, storytelling is fast becoming a "must-have" tool for social enterprises to attract both customers, beneficiaries, and funders by proving the success of their impact mission.

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