

# THE STATE OF THE ART OF SOCIAL INNOVATION IN SOUTH-EAST ASIA



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# **1. INTRODUCTION**

### About the EC Erasmus+ Programme

The Southeast Asian Social Innovation Network (SEASIN) project aims to evaluate the state of the art of Social Innovation in Southeast Asia. Funded by the European Commission's Erasmus+ programme and coordinated by Glasgow Caledonian University, the project directly responds to the societal challenges of the Southeast Asian society by harnessing the knowledge of Universities to directly contribute, not only to increasing socio-economic growth but also to improve social cohesion and equity, through social innovation. By identifying the gaps and understanding the challenges in the social innovation ecosystem in the Partner countries, the research aims to introduce new paradigms to the concept of knowledge transfer, specifically through international collaboration, incubation, university-societal engagement, informal and formal education programmes, widening access by engaging directly with community groups and internationalising the process through the SEASIN network.

The consortium is composed of a very interesting group of universities: GCU – Glasgow Caledonian University (United Kingdom), Universidad de Alicante (Spain), Universidade de Aveiro (Portugal), Universiti Teknologi Mara and Sunway University (Malaysia), Kasetsart University and Thammasat University (Thailand), Royal University of Phnom Penh and National University of Management (Cambodia), Cooperative University Thanlyin and Yangon University of Economics (Myanmar) and social innovation practitioners that include the Scope Group (Malaysia), Mith Samlanh (Cambodia), Ashoka Innovators for The Public (Thailand) and SIX – Social Innovation Exchange (United Kingdom).

### Expected Outcomes

It is expected the findings of this study will help:

- Evaluate and assess the role of Universities and Higher Education Institutions in promoting social innovation and creating spaces that facilitate dialogue, knowledge transfer and build capacities;
- Adopt an institutional approach and promote social innovation across Universities and Higher Education Institutions by designing relevant programmes and curriculum;
- Design and implement a Social Innovation Support Unit in participating universities;
- Create a Southeast Asian Social Innovation Network to enhance opportunities for networking and facilitate collaborations.

## **2. UNDERSTANDING SOCIAL INNOVATION**

In the recent years, social innovation has garnered a lot of attention among researchers, policymakers, academics, development professionals as well as the government and corporate institutions. Terms such as social enterprise and social entrepreneurship are increasingly used while discussing organisations that address various social problems and the related sector. However, it is not uncommon to find different definitions of social innovation, which is the approach applied to solve social problems. Thus it becomes key to review the various meanings and develop a working definition that will be used as a base in understanding the outcomes of the social innovation ecosystem mapping in Southeast Asia.

This report aims to highlight the state of the art of social innovation in Southeast Asia, and forms the first of a series of publications that will help build the knowledge and understanding of the development of the sector and the organisations within the regional ecosystem.

## What is Social Innovation?

Some of the earliest references to social innovation, dating back to the 1960s, use the term to refer to experimental research within the social sciences and humanities. Since then, the term has gone on to be used in reference to social enterprise and social entrepreneurship, technological innovations which yield social benefits, corporate social responsibility and open innovation<sup>1</sup>.

The majority of literature on social innovation has largely emerged over the course of the last decade. However, a huge emphasis on the technological aspect in the definition, resulted in redefining and broadening the scope of social innovation. Frank Moulaert and his colleagues, for example, argue that the technological focus of innovation policy and an overly technocratic approach to urban planning led to support for social innovation as a theme in the theorising of human development, empowerment and local development strategies<sup>2</sup>. Similarly, the Future EU Innovation Policy Panel called for EU action around “compelling social challenges” and proposed broadening the concept of innovation to include social innovation as well as business innovation<sup>3</sup>. Thus one can say that one of the most interesting and resultant responses to the growing preference of technology and business in innovation, research, policy and practice is Social Innovation.

As part of this research project, an initial round of questionnaires were distributed and completed by SEASIN partners and/or associated institutions. While respondents from Malaysia, Myanmar and Cambodia indicated that their institutions were

<sup>1</sup> Caulier-Grice, J.; Davies, A.; Patrick, R.; Norman, W. (2012). *Defining Social Innovation. A deliverable of the project: “The theoretical, empirical and policy foundations for building social innovation in Europe”* (TEPSIE), European Commission – 7th Framework Programme, Brussels: European Commission, DG Research, pp. 5.

<sup>2</sup> Moulaert, F.; Martinelli, F.; Swyngedouw, E.; Gonzalez, S. (2005). *Towards Alternative Model(s) of Local Innovation*. Urban Studies, vol. 42:11, pp. 1969-1990.

<sup>3</sup> European Commission; DG Enterprise & Industry, Special Business Panel (2009). *Reinvent Europe through innovation: From a knowledge society to an innovation society*. Brussels. European Commission, 2009.

most closely aligned with the definition given by the Guide to Social Innovation-European Commission, respondents from Thailand ranked the definition given by The National Endowment for Science, Technology and the Arts - NESTA as similar to definition 1 and in alignment with their institutions. Please find below the two definitions as well as a few others to understand the varying or common thread.

The Guide to Social Innovation - European Commission defines Social Innovation as

*The development and implementation of new ideas (products, services and models) to meet social needs and create new social relationships or collaborations. It represents new responses to pressing social demands, which affect the process of social interactions. It is aimed at improving human well-being. Social innovations are innovations that are social in both their ends and their means. They are innovations that are not only good for society but also enhance individuals' capacity to act.*

According to The National Endowment for Science, Technology and the Arts - NESTA,

*Social Innovation is explicitly for social and public well-being. It is the innovation inspired by the desire to meet social needs that can be neglected by traditional forms of private market provision and often underserved or unresolved by the services provided by the State.*

And there are others.

James A. Phills Jr., Kriss Deiglmeier and Dale T. Miller in their article *Rediscovering Social Innovation* for the Stanford Social Innovation Review define Social Innovation as

*A novel solution to a social problem that is more effective, efficient, sustainable, or just than existing solutions and for which the value created accrues primarily to society as a whole rather than private individuals.*

Similarly, the OECD's LEED Forum on Social Innovation uses the following definition of Social Innovation

*Social Innovation can concern conceptual, process or product change, organisational change and changes in financing, and can deal with new relationships with stakeholders and territories. Social innovation seeks new answers to social problems by:*

*Identifying and delivering new services that improve the quality of life of individuals and communities.*

*Identifying and implementing new labour market integration processes, new competencies, new jobs, and new forms of participation, as diverse elements that each contribute to improving the position of individuals in the workforce.*

*Social Innovations can, therefore, be seen as dealing with the welfare of individuals and communities, both as consumers and producers. The elements of this welfare are linked with their quality of life and activity.*

<sup>4</sup> <http://www.oecd.org/cfe/leed/Forum-Social-Innovations.htm>

*Wherever social innovations appear, they always bring about new references or processes. Social Innovation deals with improving the welfare of individuals and community through employment, consumption or participation, it's expressed purpose being therefore to provide solutions for individual and community problems.<sup>4</sup>*

Going by the above definitions, a number of common themes have emerged and one can say that Social Innovation as a term has been used to describe:

- A model that builds capacities and transforms societies through collaborations;
- Social impact and value creation;
- New ideas and interventions specifically designed to address the unmet social needs;
- Impact not just on the society as a whole but also empowers individuals.

For the course of this study, we will be referring to the European Commission's definition of Social Innovation.

## Why is Social Innovation needed?

Society today is faced with numerous social challenges. Be it economic insecurity, lack of employment opportunities, climate change and environmental degradation, social inequality, migration, lack of access to education, poor health and well-being, a growing elderly population; problems are many and conventional solutions are inadequate to overcome these challenges. Traditionally government aid and policies were the most sought after answers to these issues. But with the evolving nature of social needs and challenges, it becomes parallelly important to devise new ideas and solutions that are sustainable and high-scale impact driven. And this needs to be across sectors as governments alone cannot solve these problems and achieve the needed impact. We need corporate institutions, civil society organisations, universities, non-profits and cooperatives to join forces and work towards transforming our societies.

Social Innovation has become one of the popular vehicles to drive social change by implementing new solutions and facilitating cross-sector collaborations to create a sustainable society and improve human well-being. Kevin Chika Urama and Ernest Nti Acheampong in their article titled Social Innovation Creates Prosperous Societies for the Stanford Social Innovation Review observe:

*Social innovation is helping to solve some of the world's most pressing problems with new solutions such as fair trade, distance learning, mobile money transfer, restorative justice, and zero-carbon housing. In the process of creating solutions, it is also profoundly changing beliefs, basic practices, resources, and social power structures. Social innovation provides a unique opportunity to step back from a narrow way of thinking about social enterprises, business engagement, and philanthropy and to recognize instead the interconnectedness of various factors and stakeholders.*

Talking about the need to adopt a social innovation-based approach in meeting the social goals, it is key to understand the elements that help us harness the full



potential of social innovation in translating ideas and solutions into actionable systemic change.

1. By the people, of the people, for the people: Social innovations are fundamentally solutions by the people, of the people and for the people themselves - and therefore the creation is not only an innovation but also an impactful route to change. As opposed to an externally imposed solution, social innovations native to each community have the potential to design sustainable solutions thus, localising the interventions. Any systemic change needs to include solutions that take into consideration the last mile. Jerry Sternin's approach to identifying the solution to address malnutrition among children in Vietnam is a classic case in point.

*In Vietnam, malnutrition was widespread amongst the children aged 5 and under. While government and UN agencies' donation of nutritional supplements was the most relied solution, the impact was not significant. Sternin and his wife, Monique, were invited by the government of Vietnam in the year 1990 to help them develop a model to address this issue in a sustainable manner. They developed an approach called positive deviance, that understands the communities and looks for existing solutions from within the communities. As part of the process, they surveyed four local Quong Xuong communities in the province of Than Hoa and asked for examples of "very, very poor" families whose children were healthy. This was followed by understanding their food preparation, cooking and serving behaviours of the families under study. They observed that parents of the well-nourished children collected tiny shrimps, crabs, and snails from rice paddies and added them to the food, along with the greens from sweet potatoes. Although these foods were readily available, they were typically not eaten because they were considered unsafe for children. Further, they also fed their children multiple smaller meals, which allowed small stomachs to hold and digest more food each day. Thus the families though were part of the same communities, these different patterns helped keep their children healthy; in other words, these were the positive deviants that could be adopted by the communities to address malnutrition.<sup>5</sup>*

2. Experimentation: Experimentation and prototyping help test the potential idea/solution in a real life social context. This helps innovators understand the current models, identify any gaps in the solutions and refine the same depending on the outcome of the trial. In other words, experimentation uses an evidence-based approach that helps measure the success or failure of a potential solution and ways in which the same can be strengthened.

*The Building Change Trust's Techies in Residence programme, which ran in 2015 and 2016, is a great example of this. Techies in Residence saw six local Voluntary, Community and Social Enterprise sector organisations be paired up with six tech professionals to come up with a tech solution to a social problem they had identified within their community. For example, the Now Project's JAM Card, previously was a plastic card that simply asked*

<sup>5</sup> Brown, T.; Wyatt, J. (2010). *Design Thinking for Social Innovation*. Stanford Social Innovation Review.

<sup>6</sup> <https://socialinnovationni.org/prototypes/>

*retailers and other service providers to give people with disabilities extra time when doing day to day interactions. Following the programme, the same was digitised to map details of shops and other places that are best for disabled users through data collection. Thus experimentation/prototyping helped bring in a new feature that helped take the JAM Card to the next level.<sup>6</sup>*

Thus Social Innovation as a new paradigm of change helps bring together different stakeholders who devise sustainable solutions to address the various complex social problems. Especially with all countries adopting the 2030 Agenda for Sustainable Development,<sup>7</sup> social innovation will go a long way in helping societies achieve the 17 Sustainable Development Goals<sup>8</sup> aimed at attaining the three dimensions of sustainable development: the economic, social and environmental.

## Actors in the Social Innovation Ecosystem

The multidisciplinary and cross-sector synthesis is at the core of any social innovation project. Social innovation is not limited to one sector or one type of organisation. It also transcends the traditional organisational form or legal structure and includes hybrid varieties of the same. Social Innovations can emanate from within a public sector organisation, a private sector organisation, the civil society, cooperatives and philanthropy or for profit corporate institutions. Active collaborations and partnerships are the bedrock for every social innovation project. In addition to being a social innovator, the different sectors can also be a stakeholder or an intermediary in promoting social innovation. While Social Innovators are individuals/organisations that bring together new ideas and resources to solve the various social challenges and problems, Stakeholders/ Intermediaries are individuals or organisations who facilitate social innovation projects and work towards enhancing a collaborative, healthy social ecosystem by creating platforms and resources for social innovators to successfully realise their ideas. As this report aims to evaluate and assess the role of Universities and Higher Education Institutions in promoting social innovation, the following section will discuss in detail the different ways in which an institutional framework to social innovation can be developed.

<sup>7</sup> <https://sustainabledevelopment.un.org/post2015/transformingourworld>

<sup>8</sup> <https://sustainabledevelopment.un.org/sdgs>

# **3.      ROLE OF UNIVERSITIES AND HIGHER EDUCATION INSTITUTIONS IN PROMOTING SOCIAL INNOVATION**

A robust social innovation ecosystem helps facilitate learning and exchange of knowledge through collaborations and partnerships among the various stakeholders thus, enhancing opportunities and models to address the various socio-economic challenges and needs. Implementing a strong culture of innovation not only contributes to a society's economic growth and development but also maximises the social impact and improves the well-being of the communities. Entrepreneurship is viewed as a major driver of innovation, competitiveness and growth and national governments and international organisations such as the European Commission, OECD and others have increased focus on entrepreneurship education.<sup>9</sup>

Creative problem-solving abilities, building synergies and co-creating projects are key when designing interventions to overcome the social challenges. Universities and Higher Education Institutions (HEIs) as centres of learning and knowledge can act as a catalyst in promoting social innovation by fostering a culture of change-making through their curriculum and learning models. The following section highlights a few initiatives that universities and higher education institutions can institutionalise to build a community of innovators.

## **Courses and programmes in innovation and entrepreneurship**

Universities must design courses and programmes in innovation and entrepreneurship. These programmes train students in numerous areas of business creation which include writing business plans, understanding concepts around marketing and creating successful elevator pitches and better insights into sources of funding and other financial resources. While business schools across universities now have courses in social entrepreneurship and innovation, there is also an increase in the number of universities that facilitate multi-disciplinary modules. In other words, students from different academic disciplines are encouraged to take courses in entrepreneurship in addition to their core discipline. This holistic approach enhances the analytical and problem-solving skills while exposing students to the socio-political, economic and cultural aspects of the society. Several universities in the region are leading the way in offering entrepreneurship education. In Malaysia for e.g., several universities are now offering entrepreneurship Masterclasses as a means to encourage the establishment of startups by students interested in becoming entrepreneurs.<sup>10</sup>

Further, UiTM's Malaysian Academy of SME & Entrepreneurship Development (MASMED), through training programmes, development and research is working towards building the next generation of social innovators and entrepreneurs.<sup>11</sup> Similarly, the Thammasat University, Thailand offers a Bachelor's degree in Global Studies and Social Entrepreneurship.

<sup>9</sup> Potter, J. (ed.) (2008). *Entrepreneur Education In Europe*. Entrepreneurship and Higher Education, OECD Publishing.

<sup>10</sup> <http://www.ukm.my/fep/news/13-ukm-students-completed-entrepreneurship-program/>

<sup>11</sup> <https://masmed.uitm.edu.my/v4/index.php>



## Creation of Incubators and Social Innovation Labs/Hubs

One way for universities to promote social innovation and entrepreneurship is by creating and running business incubators. Incubators are launchpads that create opportunities for students to maximise their potential as leaders, accelerate the growth of their business ideas and deliver high-level scalable impact. Social Innovation Labs<sup>12</sup> and Collaborative Clusters can help foster the exchange of ideas while facilitating opportunities for networking with fellow innovators. Such Innovation Labs can also help connect with local communities and provide opportunities for students to understand local innovation projects and gain hands-on experience as part of their course credit. Universities by way of research and development can create a platform for students to access knowledge, obtain hands-on customised coaching and mentorship, a structured peer learning module and forge cross-sector collaborations and in some cases acquire seed funding. We find that universities are increasingly investing and providing seed funding to businesses proposed by their students. For instance, in Thailand, King Mongkut's University of Technology Thonburi invests in businesses proposed by students through its Innovation Foundation.<sup>13</sup> ASCEP of Singapore also runs an accelerator programme called "Learning by Giving" where students are invited to identify the most investment worthy social enterprises based on assessment metrics learned in class thus, creating a platform for them to be able to take real life impact investment decisions.<sup>14</sup> The UNESCO Entrepreneurship Education Network is another important network that works towards promoting the understanding of social innovation and facilitating entrepreneurship knowledge exchange by engaging policy makers, educators, researchers, entrepreneurs, students and communities through a variety of activities and channels.<sup>15</sup>

The John Gokongwei School of Management – Business Accelerator (SOMBA) at the Ateneo de Manila University, the Philippines is a stellar example of a university-driven incubator that aims to provide an opportunity for students to develop and practice their entrepreneurial skills while in college. Thus students not only develop innovative ideas but also build prototypes, understand the business requirements for starting the venture and grow their network.<sup>16</sup>

## Experiential Learning Programmes

Hands-on learning and workshops are the basic foundations to any entrepreneurial course or social innovation programme. During the course of the study, universities

<sup>12</sup> Ghosh, P. (2013). *Social Innovation Labs: A Tool for Social Integration*. Social Space. pp 44-49. Social Space.

<sup>13</sup> *Study of Social Entrepreneurship and Innovation Ecosystems in Southeast and East Asian Countries*. Inter-American Development Bank. October 2016.

<sup>14</sup> <https://bschool.nus.edu.sg/pdf/acsep/learning-by-giving-at-nus.pdf>

<sup>15</sup> <http://www.unescobkk.org/education/apeid/entrepreneurship-education>

<sup>16</sup> <http://inc-asean.com/startup/should-southeast-asias-colleges-be-incubators-too/>

and HEIs through industry collaborations help support students secure internships and training opportunities to apply their learnings and experience to real-life situations outside of the classroom. The NUS Enterprise offers students an opportunity to participate in full-time internships within start-up companies located around the world while concurrently attending entrepreneurship-related courses at prestigious partner universities through their NUS Overseas Colleges (NOC) Programme.<sup>17</sup>

## Encouraging Industry and Sector Collaborations

Research and development in academia are now supplemented by more and more faculty researching on market driven innovations. Universities can help faculty secure grants and funding for various social innovation projects and research with industry experts, venture capitalists and angel investors and thus, enhance the climate of social innovation at varied levels.

As knowledge generators, universities and HEIs are best placed to develop interdisciplinary communities and build an entrepreneurial mindset through research and training that support impact-driven, scalable interventions in addressing the needs of the region. Traditionally universities have seldom included experiential learning modules or an entrepreneurial hub for the exchange of ideas and dialogue. The curricula or the programmes designed, must be geared at equipping students with problem-solving skills and teaching must move to being more creative, interactive and adopt student centred learning methods.<sup>18</sup>

<sup>17</sup> <http://enterprise.nus.edu.sg/>

<sup>18</sup> Potter, J. (ed.) (2008). *Entrepreneur Education In Europe*. Entrepreneurship and Higher Education, OECD Publishing.

## **4. SOCIAL INNOVATION: EXISTING PATTERNS AND EMERGING TRENDS**

As part of the study, an exhaustive survey was conducted with partner organisations and associate institutions to understand the existing social innovation ecosystem in the region and the different barriers/ challenges social innovators and stakeholders face to implement the various social innovation projects. For this purpose, two different surveys were designed:

For Social Innovators who are defined as individuals/organisations that bring together new ideas and resources to solve the various social challenges and problems. Social Innovators could be working in a social enterprise, nonprofits, NGOs, cooperatives, government or a for-profit, or universities and higher educational institutions.

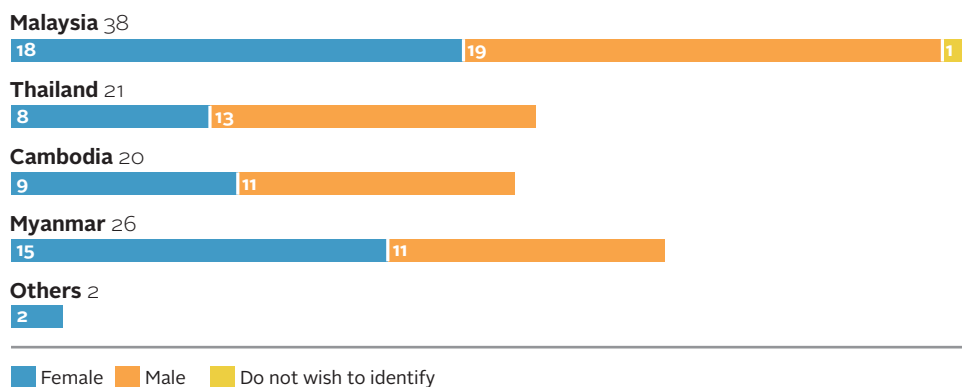
For Stakeholders/Intermediaries who are defined as individuals or organisations who facilitate social innovation projects and work towards enhancing a collaborative, healthy social ecosystem by creating platforms and resources for social innovators to successfully realise their ideas.

While the survey for social innovators and stakeholders more or less had similar sections, the stakeholder/ intermediaries survey also asked respondents questions on the major stakeholders in the Social Innovation landscape of their respective countries and the level at which most of the projects were being implemented. The following sections seek to analyse the survey data and present an in-depth analysis of each of the sections followed by the learning outcomes and recommendations.

## Section I: Demographics

The questionnaire captured information about the name of the respondent, city and country, gender, name of the organisation being represented and their designation. For the Social Innovators Survey, we received a total of 80 responses and for the Intermediaries Survey, we received a total of 27 responses for which the country-wise and gender-wise categorisation is given below:

**Fig 1.** Total respondents: country-wise and gender-wise





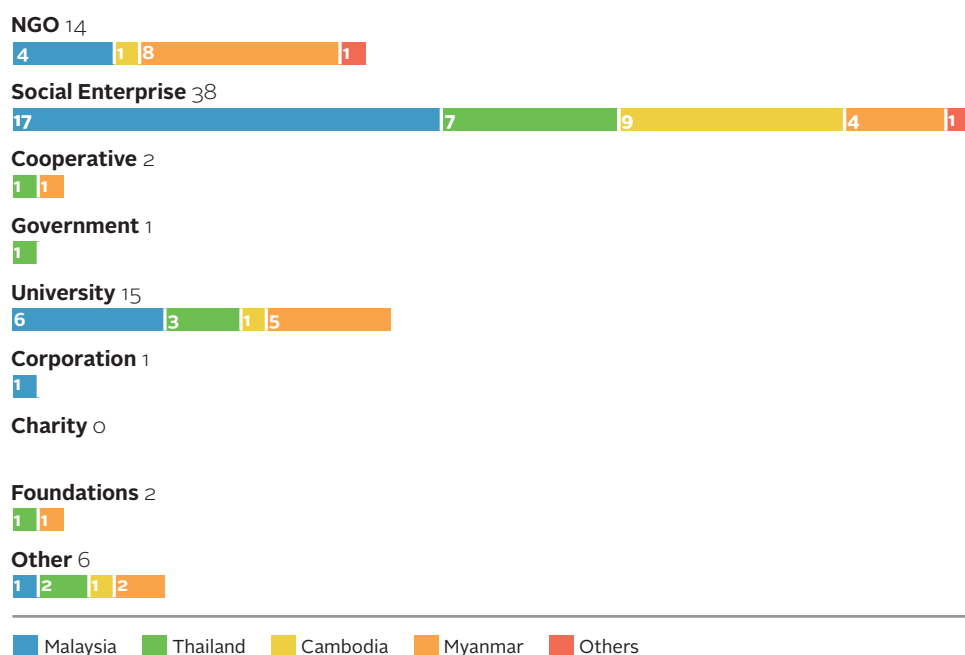
35.5% of the total respondents are from Malaysia followed by 24.3% from Myanmar, 19.6% from Thailand, 18.7% from Cambodia and 1.9% from Others (that include Australia and Denmark).

52.3% of the total respondents (social innovators and intermediaries) are male and 46.7% are female with 0.9% not wanting to identify their gender.

## Section II: Organisation Profile

Social Innovators and Intermediaries were asked to specify the organisation type/ legal structure, the problem the organisation is working to address and the number of years the organisation has been in existence. Following are the results:

Fig 2. Type of organisation.

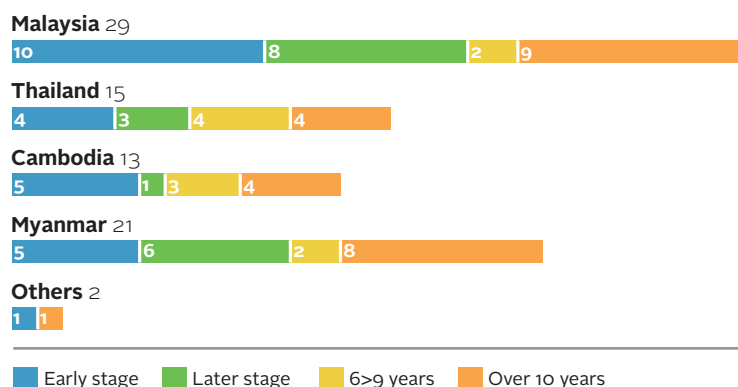


While 58.6% of the respondents from Malaysia, 46.7% from Thailand and 75% from Cambodia represented Social Enterprises followed by Universities and Educational Institutions, 38.1% of the respondents from Myanmar represented Nonprofits/ NGOs with Universities and Educational Institutions ranking second and Social Enterprises ranking third. Taking the cumulative score of organisations being represented across the four countries, we have Social Enterprises that occupied the first rank with a total of 38 respondents, followed by Nonprofits/ NGOs with a total of 15 respondents and Universities/ Educational Institutions with a total of 15 respondents. However, it is imperative to understand that the participation of a specific type of organisation has been influenced by the networks of partners and associated institutions that helped with the distribution of the survey. Hence, there is a potential inherent bias in the type of organisations being represented in the responses.

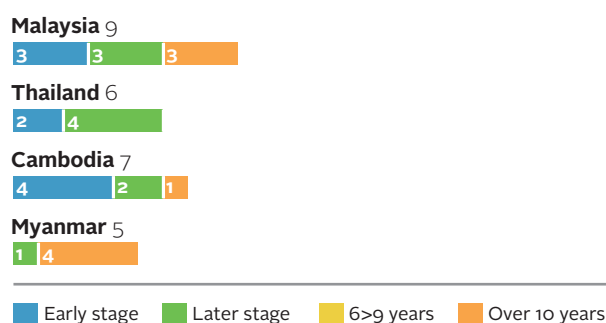
## How long has your organisation been in existence?

A close look at Fig. 3 indicates that 34.5 %, 26.7% and 38.5% of the social innovators from Malaysia, Thailand and Cambodia respectively identified their organisations to be in their Early Stage (0-2 years) of growth. Similarly, intermediaries who participated in the survey also identified that most of the social enterprises in the three countries are in their Early Stages of Growth. However, 38.1% of the organisations that participated in the survey and 80% as identified by the intermediaries from Myanmar have been in existence for over 10 years.

**Fig 3.** Stage of growth of organisations that participated in the study.



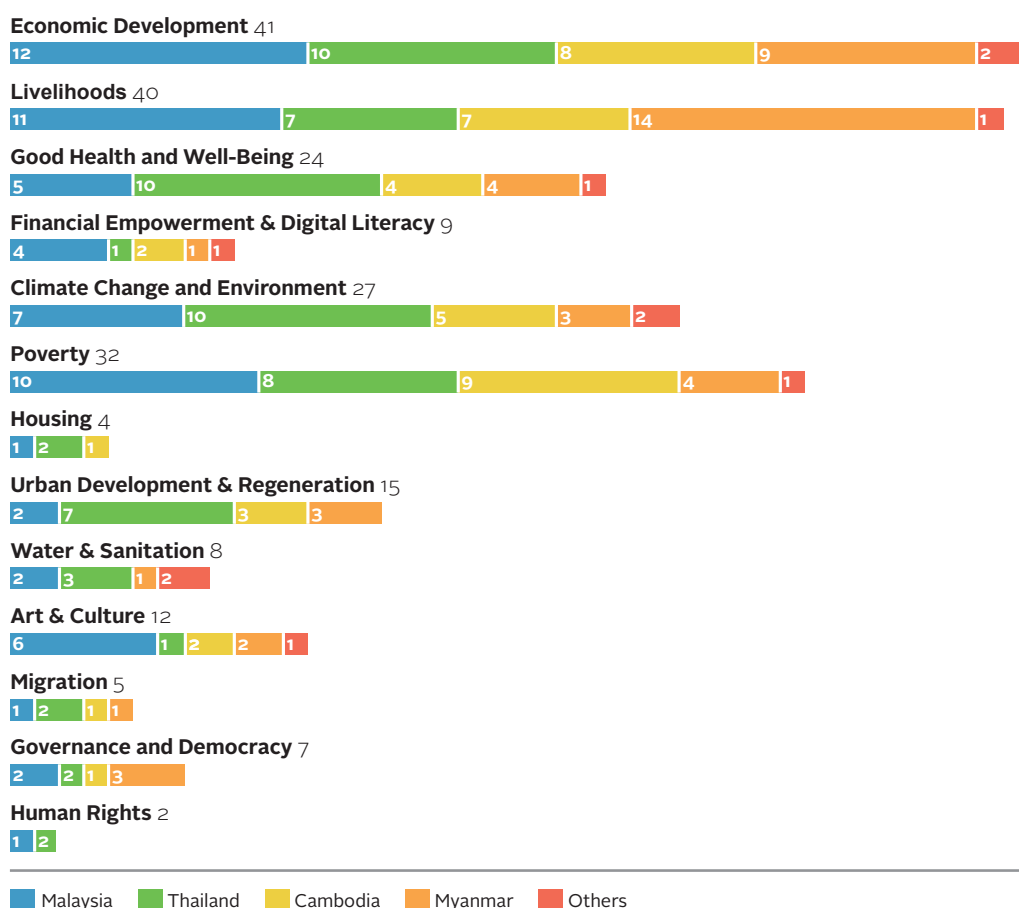
**Fig 4.** Stage of growth of organisations that participated in the study.



## Unmet social needs

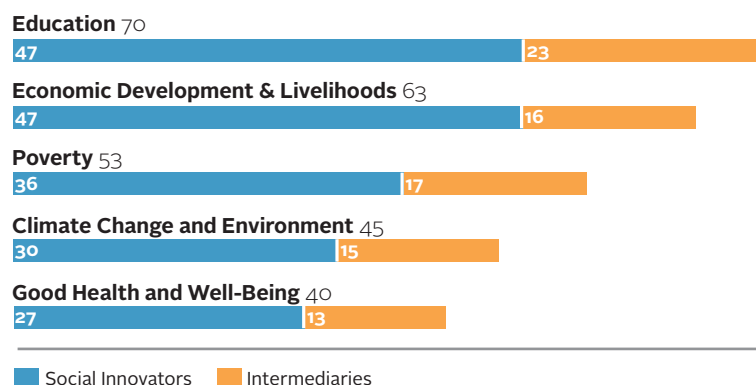
Social Innovators and Intermediaries were asked to indicate the problems the organisations are working to address and the areas where they find social innovation projects being implemented respectively. While the 18.8% of the social innovators who participated in the survey from Malaysia have been working to address Economic Development and Livelihoods, 15.9% from Thailand have been working to address Good Health and Well-being, for 20.9% of the respondents from Cambodia it is poverty and for 31.1% of the respondents from Myanmar it is Education.

**Fig 5.** Focus areas in which projects are being implemented by social innovators (These include only the social innovators who participated in the survey and might include more than one area per innovator).



An overview of responses from across countries lists Economic Development and Livelihoods as the top focus area that social innovators are working on, while the intermediaries indicated that most social innovation projects were being implemented in the education space. This was followed by Poverty, Environment & Climate Change and Good Health & Well-Being.

**Fig 6.** Top 5 focus areas across countries.

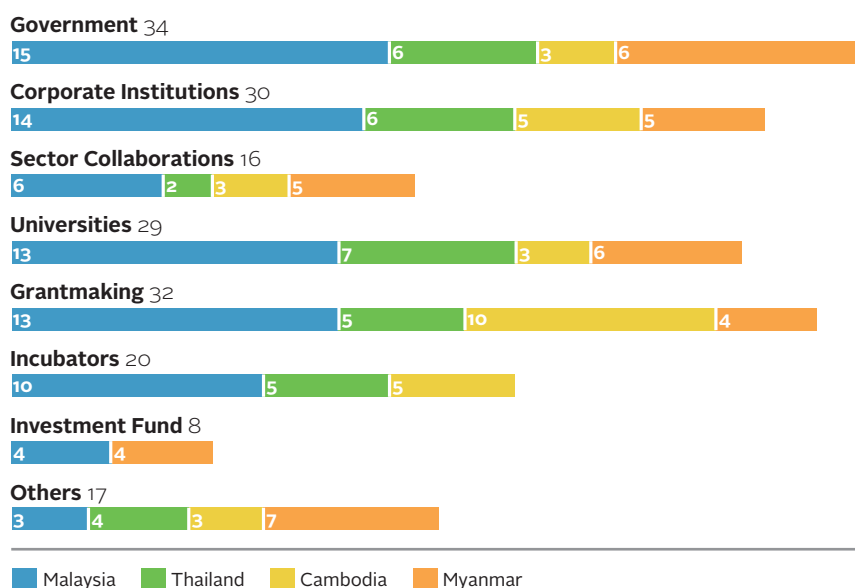


## Section III: Initiatives Supporting Social Innovation Projects

This section looks at understanding the importance of social innovation in addressing the unmet social needs in their country, the awareness around social innovation and the various initiatives that support the growth of social innovation in the region. The social innovators as well as the intermediaries have identified that social innovation is very important to address the social needs facing their countries. While social innovators were asked to identify the major sources of support, intermediaries were asked to list down the major stakeholders in the social innovation landscape. Here are the findings:

Social Innovators from all the four countries that participated in the survey have identified the government, corporate institutions and universities as the major sources of support in implementing their projects. While the role of governments as the traditional providers of aid is a common pattern, it is significant to note the increasing role of corporate institutions and universities in supporting social innovation projects. There is also a flow of support in the form of grants and funds from grantmaking trusts and foundations. Other sources include self-funding and donations from friends and communities. In case of some organisations that have been well-established and in the later stage of growth, income generation through the sale of goods and services has been identified as the major source of funding. Thus one can infer that a collaborative mix of traditional and new actors in deploying impact capital (monetary as well as non-monetary) in the region is clearly visible. Also, we see that incubators/ accelerators are emerging as important sources of support.

**Fig 7.** Sources of support received by social innovators.



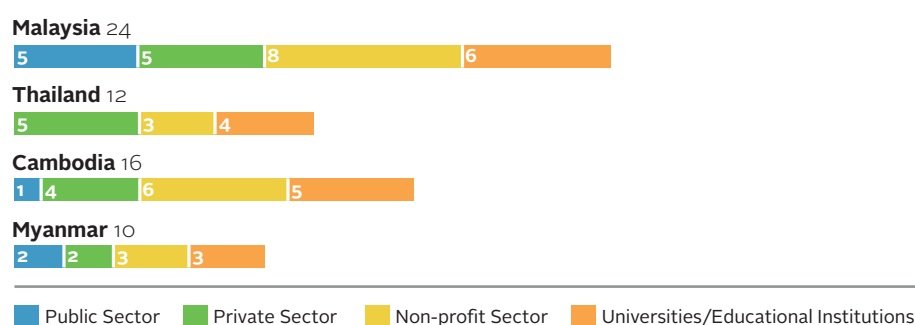


As mentioned in Chapter 3., universities in Malaysia and Thailand have implemented entrepreneurship education and incubator support to social entrepreneurs. Secondly, the presence of Impact Hubs in Malaysia, Cambodia and Myanmar not only highlight the existing support that social entrepreneurs receive from these platforms but also the potential these platforms have to drive social innovation in the region. However, lack of awareness of the various assistance/ support services offered by these platforms could be a major reason for most of the organisations not approaching them or taking advantage of their expertise in implementing social innovation projects.

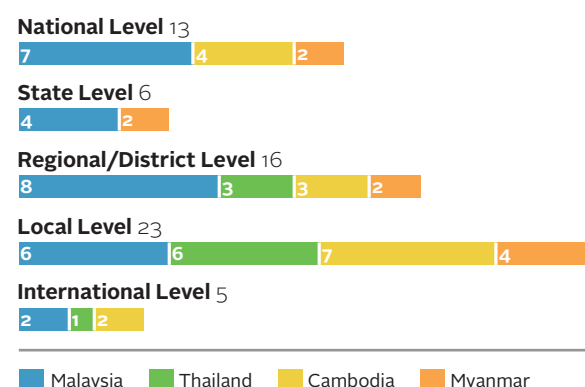
## Sector-wise analysis and impact of social innovation projects

Intermediary organisations that participated in the survey across the four countries identified the government, corporate institutions, universities, social entrepreneurs and nonprofits as the major stakeholders in the social innovation landscape. While 33.3% of the respondents from Malaysia and 37.5% from Cambodia felt that non-profit organisations have been more open to implementing social innovation projects, 41.7% of the respondents from Thailand identified the private sector and 30% from Myanmar identified both the non-profit organisations and universities as being more open to social innovation projects. There seems to be a growing interest in universities and the private sector in promoting social innovation. Thus it is indicative of the role that both universities and private institutions can play by creating a shared value that acts as a catalyst in fuelling social innovation in the region. Further, 85% of the respondents across the four countries feel that the impact of most of the social innovation projects can be seen at the local level.

**Fig 8.** Sector-wise analysis of social innovation projects.



**Fig 9.** Impact of social innovation projects.

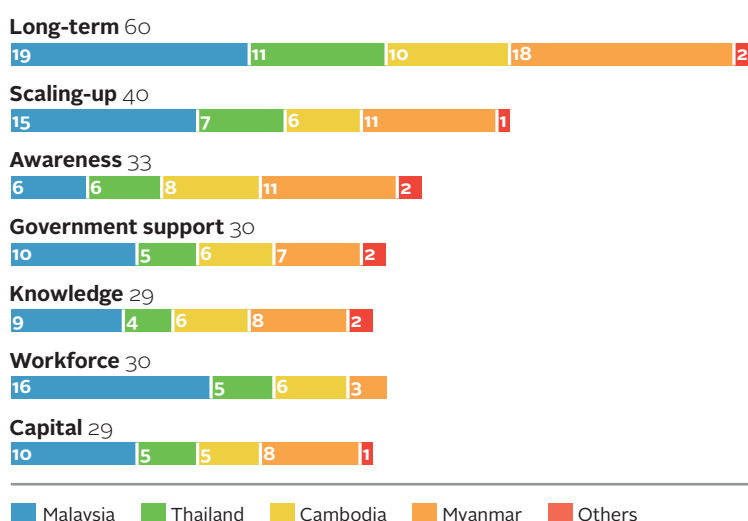


## Section IV: Challenges and Barriers

This section seeks to understand the existing barriers and challenges in implementing social innovation projects and the respondents were asked to identify various capacity building initiatives that can be implemented to facilitate the growth of a healthy social innovation ecosystem.

23.9% of the social innovators who participated in the survey identified access to capital and funding as the major challenge for implementing their social innovation projects. While 18.8% of respondents from Malaysia felt scaling-up was the next barrier they faced, 15.9 % of respondents from Thailand identified access to skilled workforce and 16.7% from Myanmar identified access to skilled workforce together with lack of know-how as the second major challenge. On the other hand, 17% of the respondents from Cambodia identified lack of knowledge/ know-how as the second major challenge in implementing social innovation projects. This was followed by lack of government support, scaling-up and strategy and long-term focus as the other challenges faced by the social innovators across the four countries. This was in line with the responses given by the intermediaries wherein, 21.1% of the respondents identified access to capital, lack of knowledge as the major barrier promoting social entrepreneurship. 15.8% identified lack of skill-building programmes, 14.7% identified lack of government support and 13.7% zeroed in on lack of policies as other major barriers to building a social innovation ecosystem.

Fig 10. Challenges to social innovation.



Thus the challenges can be divided into two categories:

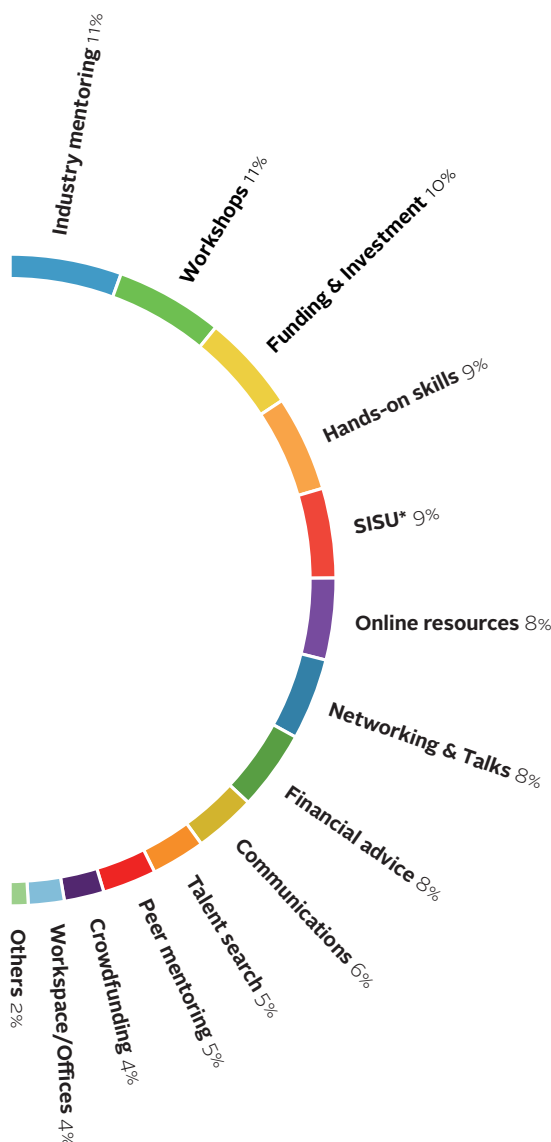
Systemic/ Institutional challenges such as lack of government support and policies promoting social innovation and entrepreneurship that pose a challenge in fostering and enhancing a healthy social innovation ecosystem.

Lack of awareness and knowledge that pose a challenge in accessing the right platforms and resources required to implement a new intervention and scale it up to the next level to achieve the desired outcome. This also reinforces the need to implement skill-building programs and experiential learning models that build capacities and help build an entrepreneurial mindset in solving problems.

## How can one build capacities and promote social innovation?

An overview of the capacity building initiatives and support services that will be an aid to social innovators suggests that 11.1% of the social innovators who participated in the survey felt that mentoring from industry experts will help build their capacities. 10.7% of the respondents identified workshops, 9.7% identified funding and investment and 9.5% of them zeroed in on experiential training programmes as the support initiatives that can help improve the social innovation ecosystem in the region. In addition to this, the respondents have also identified social innovation support units and networking events as relevant resources to help them implement their projects. 81% of the Intermediaries on the other hand, have identified promotion of social innovation across universities and knowledge sharing as the top-most initiative that can help build capacities followed by, 78% on policies that promote social innovation, 63% on skills-building programmes and 56% on providing fiscal incentives such as tax incentives.

**Fig 11.** Potential support initiatives for social innovators.



## Survey Summary

Social Innovation is recognised as one of the most important drivers of social change by participants across the four countries that participated in the study. We do see that interventions to the various unmet social needs are increasingly getting more experimental in nature. However, given the diversity of the socio-political systems as well as the problems, despite the existing sources of support and aid, both the social innovators as well as the intermediaries face numerous challenges in implementing social innovation projects. Thus the social innovation landscape in the region remains fragmented.

We do see that the government, universities/ higher education institutions and corporate institutions have been strong pillars of support to the social innovators. It is interesting that this is corroborated by the intermediaries who also identify all the three actors as major stakeholders in the social innovation landscape. However, lack of access to funding and investor opportunities and lack of awareness have been identified as the major challenges in the face of social innovation in the region. Fundraising from grantmaking trusts and foundations is seen as a constant model, but it also reinforces the need to go beyond this traditional model to build stronger enterprises that drive social innovation. Intermediaries also highlight the need to have better policies and enhanced support from the government to help them create support systems and institutionalise social innovation in the region.

While these can be seen as the systemic barriers, capacity building is another key requirement that can help enhance not only the ability of individual social innovators but also organisations and enterprises to implement scalable and impact-driven projects. As seen in the survey results, social innovators have expressed the difficulties when it comes to the scalability and long-term focus of their projects. Thus it is important to implement various skill-building and experiential learning programmes that enhance the creativity, analytical and problem-solving abilities of individuals while equipping them with more hands-on practice in a real business environment.

So what can be done better to build a healthier social innovation landscape and transform the communities in the region? Here we list out our recommendations that can help support social innovators as well as intermediaries to strengthen the culture of social innovation. The following recommendations can be broadly categorised into- policy level changes, capacity-building interventions, financial innovations and creating a suitable environment that fosters social innovation.



## Recommendations

### **Government as both the facilitator and enabler: Streamlining policy-making to support social innovation**

In the social innovation ecosystem of any country, the government primarily takes on the role of a facilitator, convenor and an enabler. In other words, the government not only takes on the role of being a social innovator and adopting new ideas and interventions to address social issues, but also creates facilities and platforms that enable other actors such as corporate institutions, non-profit organisations, foundations and grantmaking trusts as well as individuals to channel their ideas and energies in transforming the society. A close look at the analysis of the survey underpins the need for the different actors to come together to drive social innovation in the region. Thus it becomes necessary to streamline policies for social innovation which can be done through the establishment of a National Social Innovation Council.

Establishing a National Social Innovation Council facilitates multi-sector stakeholder engagement. The council through professionals representing different industries can take on an advisory role by putting in place systems and policies to enable governments to identify, implement, support and scale social innovation projects. In the process, the council can develop a social innovation framework that will help ministries to identify social innovation projects and evaluate the potential impact and scalability of the project, including the financial aspects and the potential to involve any private partner by providing fiscal incentives. In addition to this council, every country in the region can also look at establishing local level or district level social innovation clusters/ labs to enhance opportunities for networking as well as forge successful collaborations. These clusters/ hubs are like community centres for social innovation that establish new avenues and resources for identifying solutions by connecting innovators at varied levels- local, district, national and regional levels. While at national level the council can provide support to the intermediaries, the local clusters and hubs can filter down to providing support to social innovators.

### **Institutionalise social innovation by transforming education: Capacity-building to support social innovation**

Institutionalising social innovation across universities and higher education institutions can act as a catalyst in implementing impact-driven and action-oriented learning modules. This helps in creating spaces that foster knowledge sharing, creativity and problem solving skills that are the bedrock for social innovation. As discussed in Chapter 3, while campuses across the region are helping equip students with changemaking skills through various entrepreneurial education programmes and workshops, forging partnerships with local communities is imperative to build awareness around the importance and the need for such education, which has been one of the barriers as identified by social innovators across the four countries. Thus universities and higher education institutions through curricular and extra-curricular activities must develop systems and support units based on a collective impact framework involving the government, corporate institutions, the civil society and communities at local and regional level.

## **Social impact/benefit bonds: Financial innovation to support social innovation**

In the recent years, social services and programmes in many regions across the world have faced cutbacks and financial constraints due to fiscal deficits and economic instability. With the shrinking of global public spending, Social Impact Bonds (SIBs) enable the public sector to commission preventative services, and help tackle deep-rooted social problems.<sup>19</sup> An innovative finance model, SIBs bring together governments, social service providers and investors who work together in addressing a pre-determined social issue. According to OECD, a SIB is, *an innovative financing mechanism in which governments or commissioners enter into agreements with social service providers, such as social enterprises or non-profit organisations, and investors to pay for the delivery of pre-defined social outcomes.*<sup>20</sup>

As we understand from the survey, access to capital and funding has been the top-most barrier identified by both stakeholders and intermediaries from the four countries that participated in the survey. While traditional models of fundraising through grantmaking trusts and foundations have been the major sources of support, implementing policies that support social innovation and social impact investments can help strengthen social enterprises and market driven innovations. While the market for social impact bonds is very nascent in Southeast Asia, it still exists as a potential option to meet the funding requirements. However, measuring the outcomes and monetising interventions are an important requisite for interventions where SIBs can be used. In addition to governments implementing policies that support such models, universities and higher education institutions can help facilitate the transfer of knowledge that help communities understand the market dynamics and the ways in which social impact can be measured and monetised. In other words, universities and higher education institutions must create learning environments that build capacities and empower individuals and communities with multidisciplinary and evidence-based, solutions-oriented skill sets to drive social innovation.

## **Catalyse civic participation and democratise information: Create an environment that facilitates collaborations**

Encourage citizens and local communities to embrace social innovation and integrate their perspectives while designing interventions. Participatory decision-making makes it possible to drive social innovation to the last mile. By democratising information, there is an increased awareness around the different initiatives as information becomes easily accessible at varied levels. Civic participation replaces the traditional top-down approach and encourages community members to directly be part of change.

<sup>19</sup> Ranchan, R. (2016). *Investing In Impact: A Perspective On Social Impact Bonds*. <https://socialspacemag.org/a-perspective-on-social-impact-bonds/>

<sup>20</sup> Galitopoulou, S.; Noya, A. (2016). *Understanding Social Impact Bonds*.

## **5. BEST PRACTICES IN SOCIAL INNOVATION**



## Case Study from Latin America Case Study 1

# Dimagi, Inc.

Improving Rural Health in Guatemala with CommCare

### Name of the Social Enterprise

Dimagi

### About Dimagi

Founded in 2002 out of MIT's Media Lab, Dimagi is a software social enterprise that develops technologies to improve service delivery in underserved communities. Dimagi's technology platform CommCare and services have supported 500+ projects and are active in 50+ countries.

### Design Principle at Work

Open-Source Mobile Data Collection Platform<sup>21</sup>

### Case Study in Consideration

Guatemala - Reduced Maternal and Infant Mortality

### Background

Alta Verapaz is a predominantly rural region of northern Guatemala with nearly 1.2 million inhabitants of whom 78% live in rural areas and 89% are from indigenous communities, 48% of whose population lives in extreme poverty.<sup>22</sup> A maternal mortality rate of 273 for every 100,000 live births and a high infant mortality rate of 14.38 deaths per 1,000 live births were recorded. The need of the day was to address this serious challenge and provide the communities with access to health services. Thus Dimagi's CommCare was adopted as part of their mHealth- Mobile Health programme.

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<sup>21</sup> [www.dimagi.com](http://www.dimagi.com)

<sup>22</sup> Martínez-Fernández, A. et al. (2015). *TulaSalud: An M-Health System for Maternal and Infant Mortality Reduction in Guatemala*. *Journal of Telemedicine and Telecare* 21.5: pp283–291. PMC. Web. 18 July 2017.

### **According to Dimagi's Research Report TulaSalud**

CommCare for Improving Community Health, the CommCare platform was adopted to:

- Strengthen the Guatemalan Ministry of Health's system of care
- Improve access to care through an expanded network of CommCare-using community health workers (CHWs)
- Increase accountability at all levels of the Guatemalan healthcare system with enhanced supervision
- Explore how technology can be leveraged to improve health outcomes

As part of the intervention, 125 Frontline Workers across 700 communities were equipped with CommCare enabled mobile applications to help collect and send patient related data, monitoring the cases and implementing community health initiatives. Further, the Guatemalan Health System received this data collected by the Frontline Workers to track the work undertaken by the health workers. In other words, it makes monitoring and evaluation possible and also helps physicians provide any care support to the Frontline Workers.<sup>23</sup>

### **Impact**

It was found that areas where CommCare as an intervention was adopted, saw a decrease in Maternal Mortality Rate (MMR) from 309 to 254 maternal deaths per 100,000 live births and a decrease in infant deaths from 25 to 12 per 1,000 live births.<sup>24</sup>

### **Case Highlights**

- Open source mobile application that can aid community workers and systems to build customisable mobile data collection platform at an affordable price
- Makes data collection and recording efficient and helps connect service providers with the last mile
- It helps stakeholders access real time reports

<sup>23</sup> TulaSalud: CommCare for Improving Community Health, [www.dimagi.com](http://www.dimagi.com)

<sup>24</sup> The CommCare Evidence Base for Frontline Workers, [www.dimagi.com](http://www.dimagi.com)





Case Study from Southeast Asia

Case Study 2

## Siam Organic Co., Ltd.

Jasberry Rice

### Name of the Social Enterprise

Siam Organic Co., Ltd.

### About Siam Organic Co., Ltd.

Siam Organic Co., Ltd. solves the problem of farmer poverty through innovative organic products. By providing farmers with organic products, providing them with training on organic farming and connecting them with microfinance institutions such as Kiva to extend financial aid to secure organic fertilisers, Siam Organic Co., Ltd. offers a holistic solution to help farmers break the cycle of poverty.

### Design Principle at Work

Organic farming and agricultural innovation to create sustainable futures.

### Background

Founded in 2011, Siam Organic Co., Ltd. works towards empowering farmers in Thailand and building sustainable futures by developing innovative organic products for the global market. Conceptualised as a social business, through organic farming and agricultural innovation, the organisation aims to break the cycle of poverty faced by Thai farmers with farmers' debts having risen in the last decade.<sup>25</sup>

Siam Organic Co., Ltd. has identified a new variety of rice, Jasberry™. Owing to the high antioxidants and low Glycemic Index (GI – effect of food on blood sugar level) and EU & USDA certified organic farming standards, local farmers have access to a completely new market from both the product and geographical standpoint.<sup>26</sup>

<sup>25</sup> <http://jasberry.net/about-us/our-story/>

<sup>26</sup> APMAS-AIT Extension-Procasur: Learning Route on the Pro-Poor Rural Public Private Partnership, Case Study No. 3 Siam Organic Company Limited Roi Et, Thailand.



While at the start of every harvest season the organisation provides the farmers high high-quality non-GMO Jasberry rice seeds to plant, they also help advise them on the weather conditions by consulting weather experts. This helps farmers plant the seeds at the right time and avoid any damage to the crops arising out of bad weather conditions. For farmers, access to loans and credit has always been a great challenge. By partnering with microfinance providers like Kiva, Siam Organic also helps them get access to financial resources to buy organic resources that help produce better yields. In addition to this, they also train farmers on organic farming methods and practices and give them access to milling cooperatives and storage units to ensure that the rice after cultivation is stored appropriately until it is sent out in the market.

### Impact

In 2015, Siam Organic worked with 1,026 farmers. It has been identified that the farmers earned 14 times higher profit as compared to farmers who were producing conventional rice. The incremental economic benefit of this has been that of US\$1.72mn for the farmers.

### Case Highlights

- Innovative farming techniques have yielded better results as compared to conventional farming methods.
- Providing resources must be accompanied by training and skill development to create sustainable futures and also helps generate the multiplier effect. In this case, by equipping farmers with the resources and knowledge, one finds that there is an improvement in their quality of lives and the same impact is transferred to their communities.
- Innovative products, international organic certification, and access to international markets creates more value for farmer harvests. This has allowed the organisation to make modest profits every year, remaining economically sustainable while also generating enough revenue to continuously scale up production to meet increasing international demand.
- Efficient partnerships can help drive change and empower communities.





Case Study from Southeast Asia  
Case Study 3

## WateROAM

Provision of ROAMfilter Plus enhances access to clean water

### Name of the Social Enterprise

WateROAM

### About WateROAM

WateRoam is a water innovation enterprise founded in Singapore in 2014 to develop water filtration solutions that bring about the quickest access to clean drinking water at disaster-hit locations, and promote social change in rural development areas. These water filters are designed to be highly simple, portable, durable, and affordable, thereby improving the access to clean drinking water significantly.<sup>27</sup>

### Design Principle at Work

Simple, portable and durable products that are cost-effective (affordable)

### Background

Access to clean and safe water is essential to lead a healthy life. However, every year millions of people, mostly children die from diseases due to lack of access to clean drinking water, poor quality water or water scarcity. This is especially a challenge in areas that are affected by natural disasters. NUS Enterprise has provided key support to the start-up through formal incubation, mentorship, and the Lean LaunchPad Singapore programme, the latter focusing on structured market validation and segmentation.<sup>28</sup> Since its launch in 2014, WateROAM products have been used in different rural communities and disaster relief operations across countries such as the Philippines, Indonesia, Cambodia, Myanmar, Nepal and Malaysia.

<sup>27</sup> <http://www.wateroam.com/our-story.html>

<sup>28</sup> <http://enterprise.nus.edu.sg/success-stories/detail/37>

## Impact

### WaterROAM's School Intervention in Cambodia<sup>29</sup>

WaterROAM's product ROAMfilter Ultra was used to filter water in a school in a rural area in Cambodia. The students in the school did not have access to clean drinking water due to lack of proper infrastructure and pipelines. Thus the water from the nearby stream was not drinkable as it was muddy and plagued by pathogens. However, WaterROAM's intervention in this case helped the school utilise the resource that has been available to them but unusable for a long time, by filtering the muddy water and making it safe and clean for consumption. The unit is currently serving over 300 students and 20 teachers who rely on water from the pond, well, river and rain collected through the gutters for drinking, cooking, and washing.

### Vanuatu Cyclone Pam Relief - April 2015<sup>30</sup>

Vanuatu has been considered as one of the world's most vulnerable regions to natural disasters. In March 2015, Cyclone Pam struck Vanuatu causing unprecedented devastation. The volcanic island of Tanna was considered to be the area worst hit by Cyclone Pam. In April 2015, WaterROAM's ROAMfilter Ultra systems were deployed to filter water from a muddy creek 7km away, and helping people from the town of Isangel have access to clean and safe drinking water.

## Case Highlights

- Portable, durable and cost-effective technology
- Easy operation and maintenance
- Can be used in disaster relief operations, rural communities, schools, rainwater harvesting and water stations and farms
- By working with NGOs, governments and other actors in the social change ecosystem, one can leverage the funding requirements for such interventions



<sup>29</sup> <http://www.wateroam.com/our-impact-highlights.html>

<sup>30</sup> <http://www.wateroam.com/our-impact-highlights.html>





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