

## Key Messages:

- It is estimated that one in every six people live with a disability in Asia and the Pacific. Boosting their economic inclusion represents a significant social and economic opportunity.
- Social enterprises are businesses focusing on social benefits in addition to financial benefits. They are a recent and growing phenomenon across the Association of Southeast Asian Nations.
- Social enterprises have emerged as key actors to develop innovative solutions to promote the inclusion of people with disabilities.
- Most of these social enterprises are led by young social entrepreneurs, many of whom are persons with disabilities themselves.
- Public–private partnerships and collaborations amongst key stakeholders (policymakers, social enterprises, corporates, investors, non-governmental organisations, and philanthropies, etc.) are crucial for fostering the economic inclusion of people with disabilities.

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## Social Enterprises and Disability: Promoting Inclusion, Innovation, and Entrepreneurship in ASEAN\*

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*This policy brief highlights the role of social enterprises in promoting social impact and inclusion for people with disabilities in the Association of Southeast Asian Nations (ASEAN) region. It explains how the disproportionate number of people with disabilities are still lagging behind in society and how social enterprises can foster innovation for promoting disability inclusion and rights. Despite the benefits that social enterprises offer, some existing challenges remain to expand their social and economic mission. This calls for a framework of action involving multiple stakeholders. This policy brief is based on the Economic Research Institute for ASEAN and East Asia research project report, 'Social Enterprises and Disability: Fostering Innovation, Awareness, and Social Impact in the ASEAN Region'.*

### 1. Disability-inclusive Employment Represents a Great Social and Economic Opportunity for the Post-pandemic Recovery

People living with a disability comprise an estimated 15% of the global population – one of the largest minority groups in the world (UNESCAP, 2019a). It is estimated that one in every six people in Asia and the Pacific – about 690 million people – live with a disability. This figure is expected to rise due to population ageing, chronic health conditions, climate-related disasters, and other factors (UNESCAP, 2018). These 690 million people include individuals with physical disabilities; those who are blind or experience low vision, deaf, or hard of hearing; those with learning disabilities, cognitive/developmental disabilities, psychosocial disabilities, or who are deaf-blind; and those with multiple disabilities.

Studies show that the gross domestic product (GDP) of Asia-Pacific countries could rise by 1%–7% with disability-inclusive employment. Persons with disabilities are not adequately or fairly represented throughout the workforce in Asia and the Pacific, with evidence showing that persons with disabilities are systematically excluded from equal access to work across the region (UNESCAP, 2016).

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## 2. Social Enterprises have Emerged as Key Actors because of their Capacity to Identify New Solutions and Foster Inclusion and the Empowerment of Persons with Disabilities

According to the UN Department of Social and Economic Affairs (UN DESA), a social enterprise (SE) is 'a form of entrepreneurship which predominantly focuses on social benefits rather than solely financial ones, and which seeks to address societal, cultural or environmental issues, often in an innovative manner' (UN DESA, 2018). In essence, an SE is comprised of both a social mission and a for-profit business model, though many definitions of SEs vary in terms of how the social mission and for-profit business model are combined and structured.

Social entrepreneurship is a growing phenomenon both worldwide and within the Association of Southeast Asian Nations (ASEAN). In many ASEAN countries, social entrepreneurship has built upon the evolving history of cooperatives and shown significant growth in recent years. In Singapore, for example, over 90% of the existing SEs have been established since 2010, with an estimated 67% of all SEs having been operational for less than 5 years (British Council and the Singapore Centre for Social Enterprise, *raiSE*, 2020). In Indonesia, over 70% of SEs were established in the past 5 years (British Council et al., 2020a). In Thailand, the government introduced an SE promotion policy in 2010 (British Council et al., 2020b).

The rise of SEs in the region reflects both a need for social innovation and the growing demand for purpose-driven enterprises, especially amongst millennial consumers. According to the World Economic Forum (2019), 40% of millennials believe that the goal of business should be 'to improve society', and millennials make up 40% of all consumers today, influencing about US\$40 billion in sales.

## 3. Most of These SEs are Led by Young Social Entrepreneurs, Many of Whom are Persons with Disabilities Themselves

Trends in social entrepreneurship worldwide have shown the growing emergence of young leaders. Numerous studies show that young people today are highly motivated to generate positive social change and are interested in developing innovative solutions through social entrepreneurship (UN DESA, 2020). In addition to the strong presence of young leaders in this ecosystem, another pattern that can be identified relates to the importance of supporting persons with disabilities in championing their own cause. Persons with disabilities have considerable assets to leverage in advocating for disability rights, including first-hand knowledge of their needs and the ability to develop effective solutions to social problems. These highly driven social entrepreneurs are well-positioned to address the need for stronger disability rights across ASEAN.

The majority of SEs supporting persons with disabilities in ASEAN have one or more of the following objectives: (i) to provide education, skills, or training to persons with disabilities, (ii) to create jobs and provide direct employment for persons with disabilities, and (iii) to support the employment or job placement of persons with disabilities with external companies and organisations.

## 4. An Increasing Number of SEs are Offering Recruitment Support for Private Companies to Foster Disability Inclusion

SEs throughout ASEAN address all forms of disability, including physical, intellectual, and mental disabilities. Whilst certain SEs focus on a specific type of disability for specialised support, other SEs provide support to persons with all disabilities with the aim of fostering a larger community for inclusion. In the technology sector, notable SEs train persons with disabilities in technological skills that can increase an individual's employability and potential for higher-earning income. In the hospitality industry, a significant number of SEs train persons with disabilities in the skills needed to work in high-performing restaurants, coffee shops, and bakeries. Many SEs also provide consulting services to help companies become inclusive employers. These services are highly useful for advancing equal employment in practice, and SEs are often able to refer graduates from their own training programmes for recruitment.

## 5. Governments across ASEAN Could Significantly Help Advance Social Entrepreneurship that Supports Persons with Disabilities

The 10 ASEAN Member States (AMS) have ratified the Convention on the Rights of Persons with Disabilities (CRPD), yet only certain AMS have adopted it in their concrete policy implementation under national legislation (ERIA, 2021). The CRPD aims to reinforce social protection and equal treatment for people with disabilities to participate more actively in society. However, national legislation on the right to equal employment for persons with disabilities varies significantly amongst ASEAN and reveals certain gaps in the legal protection of the right to equal employment. In countries where comprehensive legislation already protects the right to equal employment, employment discrimination still occurs, and robust accountability mechanisms need to be developed.

Another challenge is the uncertain legal definition of SEs across ASEAN. Although SEs achieve both income generation and the delivery of essential social services, they face extensive challenges related to the administration of their organisational structures. The lack of clear SE incorporation places limits on either the income-generating activities pursued by organisations registered as non-profits, or it restricts the social services

offered by organisations incorporated as companies. Some governments have begun to address these gaps – for instance, in Malaysia, the Ministry of Entrepreneur Development and Cooperatives has implemented the Social Enterprise Accreditation Programme to provide SEs with a legal framework as part of the National Entrepreneurship Policy 2030 under the Ministry of Entrepreneur Development and Cooperatives of Malaysia (2019).

The current post-pandemic recovery strategies, frameworks, and action plans currently being developed and implemented across ASEAN as a region and by individual AMS represent an opportunity to emphasise and promote the role of SEs, focusing on disability inclusion to support the recovery (see Table 1 for a set of proposals).

**Table 1: Framework for Action**

Stakeholder Category	Recommendations
Governments	<p>Fostering inclusion:</p> <ul style="list-style-type: none"> <li>• Comprehensive reviews of national legislation related to disability rights, including but not limited to:               <ul style="list-style-type: none"> <li>- equal employment;</li> <li>- equal pay and benefits;</li> <li>- accessibility standards;</li> <li>- adapted transportation; and</li> <li>- protection from abuse.</li> </ul> </li> <li>• Accountability mechanisms to ensure enforcement.</li> <li>• Access to adequate healthcare and resources.</li> <li>• Prevention of avoidable disabilities (e.g. avoidable blindness).</li> <li>• Access to special education programmes for children and youth with disabilities.</li> <li>• Access to vocational training programmes for persons with disabilities.</li> </ul>
	<p>Fostering social innovation:</p> <ul style="list-style-type: none"> <li>• Comprehensive reviews of national legislation related to the incorporation of social enterprises.</li> <li>• Recognition of the public benefits delivered by SEs, as well as their untapped potential for increased social impact.</li> </ul>
	<p>Good practices in the ASEAN region:</p> <p>In order to effectively implement disability rights as defined by the CRPD, the Singapore government has introduced several Enabling Masterplans to establish clear targets and track its progress over time. The government is currently nearing the end of its 3rd Enabling Masterplan, which outlines the comprehensive inclusion of persons with disabilities throughout Singapore (ASEAN Disability Forum, 2020).</p> <p>Viet Nam officially recognises social enterprises as a distinct legal entity through its Enterprise Law, introduced in 2014. Whilst stronger policy implementation may be needed to support social entrepreneurship in practice, Viet Nam’s legislation provides a useful model for the official recognition of SEs by governments (UNESCAP, 2019b).</p>

Investors	<p>Fostering inclusion:</p> <ul style="list-style-type: none"> <li>• Systematic reviews of the inclusion policies and practices of potential investees.</li> <li>• Targets for investing in inclusive companies.</li> </ul>
	<p>Fostering social innovation:</p> <ul style="list-style-type: none"> <li>• Investment in SEs or companies with a social mission related to disability issues.</li> <li>• Investment in SEs or companies led by people with disabilities.</li> </ul>
	<p>Good practices in the ASEAN region:</p> <p>The Disability Impact Fund invests in new technologies and innovations to scale market-based solutions that support persons with disabilities across Southeast Asia, China, and India. Today, the Disability Impact Fund focuses its investments on equal employment and assistive technology.</p>
Corporations	<p>Fostering inclusion:</p> <ul style="list-style-type: none"> <li>• Equal employment policies and practices for persons with disabilities.</li> <li>• Equal pay policies and practices for persons with disabilities.</li> <li>• Buy-in for inclusion at all company levels.</li> <li>• Empowering the views of persons with disabilities within the corporate culture.</li> <li>• Accessibility standards, including transportation to the workplace.</li> </ul>
	<p>Fostering social innovation:</p> <ul style="list-style-type: none"> <li>• Partnerships with SEs that can support the development of an inclusive workplace.</li> <li>• Partnerships with SEs that can refer graduates from their training programmes for recruitment.</li> </ul>
	<p>Good practices in the ASEAN region</p> <p>The Microsoft Enabler Program was established in 2020 to improve equal employment for persons with disabilities in Asia-Pacific. The programme helps Microsoft employment partners become inclusive employers by receiving training from SEs and non-profits, and it facilitates the recruitment of persons with disabilities in the tech sector (Tech Wire Asia, 2020).</p>

Foundations/ Philanthropists	<p>Fostering inclusion:</p> <ul style="list-style-type: none"> <li>• Empowering the views of persons with disabilities evident in organisational policies, culture, and communications.</li> <li>• Increased funding provided to SEs and NGOs supporting persons with disabilities.</li> </ul>
	<p>Fostering social innovation:</p> <ul style="list-style-type: none"> <li>• Increased funding for the SE ecosystem, especially SEs that are led by persons with disabilities.</li> <li>• Provision of unrestricted funding to support the organisation’s overall mission and impact (not project-specific funding).</li> </ul>
	<p>Good practices in the ASEAN region</p> <p>The Fred Hollows Foundation, whose mission is to end avoidable blindness worldwide, directs significant funding to SEs across ASEAN, including Alina Vision in Viet Nam. By mobilising funding to SEs that have a successful business model for generating income, the foundation makes significant investments that positively impact both social entrepreneurship and disability issues.</p>
SEs and NGOs	<p>Fostering inclusion:</p> <ul style="list-style-type: none"> <li>• Development of innovative programmes focused on the rights, inclusion, and empowerment of persons with disabilities.</li> <li>• Representation of persons with disabilities in leadership roles and decision-making processes.</li> </ul>
	<p>Fostering social innovation:</p> <ul style="list-style-type: none"> <li>• Implementation of a high-quality impact measurement system to track objectives and progress.</li> <li>• Provision of consulting services to train other companies to become inclusive employers.</li> </ul>
	<p>Good practices in the ASEAN region</p> <p>Movement for the Intellectually Disabled of Singapore (MINDS) is a non-profit SE whose mission is to empower persons with intellectual disabilities and improve their quality of life. MINDS demonstrates best practices for other non-profits and SEs in this area through its innovative programmes and clear impact measurement, which enable it to achieve its mission and also form useful partnerships with a wide range of stakeholders.</p>

ASEAN = Association of Southeast Asian Nations, NGO = non-governmental organisation, SE = social enterprise.  
Source: Authors; Action Table from Crosta and Sanders (2021).

## 6. Policy Recommendations

**Governments could significantly help advance social entrepreneurship that supports persons with disabilities by strengthening the national regulatory frameworks related to SEs and disability rights.** There is a great need for a comprehensive review and development of national legislation for the incorporation of SEs throughout ASEAN. There is also a great need for the comprehensive review of national legislation for disability rights throughout ASEAN, including in the areas of equal employment, equal pay and benefits, accessibility standards, adapted transportation, and protection from abuse. In addition to comprehensive legislation, accountability mechanisms are needed to ensure that legislation is enforced. The current post-pandemic recovery strategies, framework, and action plans represent an opportunity to include SEs working on disability issues into national and regional plans and actions.

**Investors could be incentivised to leverage both their analysis of potential investees and their investment capital to support SEs that promote inclusion in the ASEAN region.** Investors could embed inclusion criteria into their investment screening and analysis in order to systematically ensure that their investment portfolio is comprised of companies with clear inclusion policies and practices. They could set measurable targets for investing in companies that implement fully inclusive policies and practices, and they could also consider investing in SEs or companies that offer impactful approaches to disability prevention or support to persons with disabilities. Investors are a key stakeholder for deploying more capital into the SE ecosystem, including SEs that support people with disabilities, which is currently an underrepresented area of investment. Investment capital can also be deployed to SEs that are led by persons with disabilities, which is an approach that can correct the underrepresentation of persons with disabilities in leadership roles and decision-making processes and empower more persons with disabilities as inclusion champions and advocates.

**Corporations could significantly help to advance disability rights and inclusion by promoting the equal employment and pay of persons with disabilities.** Corporations are key stakeholders for combatting employment discrimination and achieving equal employment for persons with disabilities. Corporations have the option to create partnerships with SEs that can help them become fully inclusive employers and workplaces. Many SEs are also able to refer trainees and graduates of their training programmes for recruitment. Inclusive workplaces promote an empowering view of persons with disabilities within the corporate culture, rather than the historically disempowering view that overfocuses on charitable support or lack of certain abilities. It is highly recommended to develop buy-in

for inclusion at all company levels, ranging from head leadership to middle management to support staff. To this end, extensive research is available on the benefits of inclusive workplaces.

**Foundations and philanthropists could leverage their funding and resources to strategically support SEs that promote inclusion in the ASEAN region.** More funding could be provided to organisations supporting the rights and inclusion of persons with disabilities – an underrepresented social issue in the philanthropic sector. In particular, foundations and philanthropists could mobilise more funding to the SE ecosystem, including innovative and impactful SEs led by persons with disabilities. Foundations and philanthropists can help to promote an empowering view of persons with disabilities through their organisational policies, culture, and communications, rather than the disempowering view that has historically focused on charitable handouts. It is recommended that foundations and philanthropists provide unrestricted funding to SEs or NGOs rather than restricted project-level funding as this is a funding strategy that can contribute more effectively to an organisation's overall mission and impact.

**SEs and NGOs could contribute to the advancement of disability rights and inclusion by ensuring the quality and impact of their programmes.** SEs and NGOs are key stakeholders for continuing to promote the rights, inclusion, and empowerment of persons with disabilities through education, skills training, vocational training, career counselling, employment, coaching or counselling, and other impactful programmes. It is essential for SEs and NGOs to design and implement impact measurement systems to assess their performance and communicate their impact to other stakeholders. SEs and NGOs can ensure that they follow equal employment for persons with disabilities within their own organisations, including the representation of persons with disabilities in leadership roles and decision-making processes. SEs are well-positioned to offer consulting services to train companies to become inclusive employers; many SEs have already developed inclusivity training services that assess companies' needs and tailor inclusion training accordingly.

**This ensemble of stakeholders can achieve tremendous advancement in social innovation and disability rights throughout ASEAN.** Through a combination of targeted investments and strategic funding within an enabling regulatory environment, SEs can be empowered to unleash the full potential of their social missions. The achievements of many SEs have already begun to demonstrate the social innovation that is possible for the advancement of disability rights and inclusion across ASEAN. The support of all stakeholders is fundamental for harnessing this potential.


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