

**IPS Corporate Associates’ Vista Series:
“Is the Pursuit of Helping Others and Profitability Mutually Exclusive?”**

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ON 26 May 2017, the Institute of Policy Studies (IPS) organised a dialogue session on social entrepreneurship, to discuss whether social justice and profitability are mutually exclusive. Speakers for the session included: Chief Executive Officer of the Singapore Centre for Social Enterprise (raiSE), Alfie Othman; Founder of Bottom of the Pyramid Hub (BoP) and World Toilet Organization (WTO), Jack Sim; and Founder of social enterprises Haute Alteration and New Rasa Singapura, Josephine Ng. The session was chaired by IPS Research Fellow Dr Justin Lee.



Landscape of Social Enterprises in Singapore

Mr Alfie began by setting the context of social entrepreneurship in Singapore. The Social Enterprise Committee was founded and chaired by Philip Yeo in 2007 to make recommendations on developing the social enterprise sector. In 2009, the Social Enterprise Association was set up to promote social entrepreneurship through raising public awareness. In 2015, *raiSE* was set up to promote awareness and provide support for social enterprises. To build a thriving social economy, an ecosystem where social enterprises can develop well was necessary. For that to happen, the involvement of key players such as academics, policymakers, capacity builders, and professionals are of paramount importance.

Mr Alfie proceeded to note that *raiSE* has successfully garnered 400 members (registered business entities) and many of them have debunked the myth that social enterprises can only survive in the food and beverage (F&B) industry, with 18 per cent of enterprises thriving in the education industry. He then noted how 66 per cent of the social enterprises belong in either seed or early stages, while 34 per cent of them belong in either growth or mature stages. The statistics in terms of outcomes, beneficiaries aided and revenue have been very encouraging. He discussed the subjectivity of “success”, how revenues may not completely capture success, and how the employment of marginalised members of the community might paint a more nuanced picture of this success. Other ways to measure impact next to employment include education and skills development.

He went on describe how *raiSE*, with growing private sector involvement and investment, aims to establish a private equity investment fund by the end of the year. Private sector firms have also stepped forward to conduct classes for *raiSE* members across various facets — on how to better secure funding, on effective messaging systems, and ways to amplify impact. He emphasised the need for stable partnerships with government, businesses and academia. He also highlighted the support *raiSE* has received from government, by granting the organisation access to social service sector data to analyse the needs of the marginalised.

Mr Alfie attested to social entrepreneurs being a “confused lot”, having to straddle profitability and social welfare. However, this middle ground does inspire entrepreneurs to think outside the box, albeit incurring stress at times — proving that profitability and social justice are not mutually exclusive. Other challenges include securing funding, making a profit, retaining customers and marketing. In the case of marketing, entrepreneurs face a dilemma of whether they should position themselves as “doing good” for a community, or focus on their product instead.

Another pressing challenge encountered by social enterprises is the lack of public awareness. Nonetheless he saw promise in the millennial¹ segment of the population; the notions underlying social entrepreneurship resonate well with millennials who seek meaning and purpose, possibly through activism for the disenfranchised. As much as 40 per cent of *raiSE* members are below 35 years old and a lot are in tech start-ups, a testament to millennials’ affinity for social entrepreneurship. He also added that the onus of proving

¹ The segment of the population that is between 18–35 years old.

credibility lies with all its members, and raiSE would continue to review memberships annually based on the level of impact made. Mr Alfie concluded his presentation by stating that since scalability remains unfeasible with a Singaporean market, a regional ASEAN market could be tapped for greater collaboration and support.

The World Toilet Organization and BoP Hub

The second speaker, Mr Sim, began by screening a video on global poverty. The gist of the video revolved around the idea of producing for the poor — equipping them with skills of self-sustenance through the goods that we produce and the firms we create. This idea rests on the basis that most of the capitalist production of goods is for the richer segment of society, and that the poor have to fork out extra cash for the same range of goods. This could be initiated through first providing the global poor with basic sanitary facilities and access to clean water — because with health comes self-sustenance. BoP Hub aims to do just that; to create an efficient marketplace and subsequently a sustainable ecosystem through synchronising individual effort and forming a collective effort. Their end-goal would be the alleviation, if not eradication, of poverty.



He then proceeded to describe his beginnings. Retiring at 40, he was inspired to do social work and the creation of World Toilet Organization (WTO) to provide toilets for his beneficiaries, primarily slums in third-world countries. Several of his efforts have helped quell the spread of diseases and such — through a provision of basic sanitation. He then highlighted a list of WTO’s achievements including organising summits across various countries and enlisting the support of leaders of various countries to join his cause. His

organisation has helped transfer these skills of toilet design, production and sales to the needy in India and Cambodia as well.

As for BoP, the idea revolves around employing templates of innovation already tried and tested with other firms as it would save time and costs, to better aid the global poor that in dire need of assistance. This ecosystem would involve the government, NGOs, academia, the United Nations, firms from the private sector, lobbyists, social entrepreneurs, MNCs and more, to produce a synergised, collective solution to pressing world problems. Some of BoP's initiatives include opening a trade centre in Singapore to create worldwide collaboration across all time zones; the 45Rice initiative which provides better nutrition to foreign workers deprived of it; 100 Voices, a school that would relieve students of educational pressures encountered in mainstream school settings; and Hawkerpreneurs, a move to protect local food heritage.

One of the participants raised the question of whether Mr Sim could “institutionalise his experiences” so that other enterprises can learn techniques of proper execution. In response, Mr Sim expressed that the creation of a shared services hub (on the part of BoP) for members, to encourage production, sales and distribution amongst members. This hub's goal would be to encourage ownership by the entrepreneurs. Its role was not to employ or provide instructions, but to guide them on the sidelines.

A participant asked Mr Sim for tips on how WTO manages its resources. Mr Sim said that it takes time to develop resources. At WTO's early stages, he was the sole employee, thus allowing him the avenue to save money. He also added that the other solution would be to gather other like-minded individuals, generating a safe space of trust and sharing responsibilities. Another question from a participant was on Singapore's toilet situation; does it require enhancements too? Mr Sim replied that to improve the architectural quality of toilets, one merely had to study toilet behaviour. As it all boils down to structure, these little tidbits of information (e.g., female hygiene behaviour in toilets in relation menstruation) could help improve the structural quality of toilets even in Singapore.

Helping Beneficiaries and Facing Challenges — One at a Time

The third and final speaker was Ms Josephine Ng, founder of two social enterprises in Singapore: Haute Alteration, an up-market alteration service that employs, trains and empowers disadvantaged women, and New Rasa Singapura, a restaurant that serves local delights and employs people with disabilities and mental health issues, recovering stroke patients and vulnerable elderly persons.

Relating her personal experience where she went on sabbatical before finding her first social enterprise, she shared about the challenges of such an endeavour. She confessed that good social motivation alone is not adequate to have a sustainable business as there are many challenges that one could face along the way.

When customers or even landlords found out about the vulnerable group that they were employing, there was doubt that her endeavour would be successful. Many did not want to support her enterprise. Talent acquisition was also difficult, as work is often long and does

not pay particularly well. Instead of having to continually attract talents, they decided to invest and grow their own. By carving out developmental opportunities for staff and creating a supportive work environment, she decided that there should be focus on a culture of learning and sharing, and where seniors will guide the juniors.



Despite the struggles in meeting the "double-bottom line" where she had to balance social and business objectives, there were several heart-warming success stories that she shared with the audience. With Haute, they were able developed their employees' strengths, with examples of employees either going on to develop their careers elsewhere or demonstrating great personal growth. By providing high-end alteration services and targeting a specific market, Haute has also arguably helped to change the image of social enterprises, which are often seen to be a low-skilled enterprise. With investment in technology and the employees' abilities, they are able to justify their costs through the quality of their work. It now is recognised not just locally, but also regionally.

While Haute targets a specific market segment and serves a very specific group of vulnerable people, Ms Ng felt that she could do more. New Rasa Singapore was the result of that ambition and desire, and it now employs people with disabilities and mental health issues, recovering stroke patients and the vulnerable elderly.

When asked if there are more financial rewards if a social entrepreneur were to cater to the "Haute-clientele" as compared to the beneficiaries of the World Toilet Organization, Ms Ng said that shape of the social enterprise often depends on the client group that they intend to empower. For instance, there is a difference in the skillset and abilities between employees

in New Rasa Singapura and Haute. This is fundamentally the reason why there could be a different market segment for different models of social enterprise.

A member of the audience asked how it was possible to ensure a consistency in products or services if there were conditions, such as mental health, that could result in unpredictable staff behaviours. Using New Rasa Singapura as an example, Ms Ng suggested finding a balance between the ratio of “beneficiary” to “non-beneficiary” staff members. This was estimated, in the case of New Rasa Singapura, to be at about 40 per cent — a percentage that has also found success in other social enterprises of a similar mould. This structure enables business to go on in a way that it can cater to such changes. She stressed that consumers and customers should not be expected to be forgiving. Hence, there was a conscious effort to not be overly ambitious, but to calibrate and identify the organisations’ own capacity to deal with challenges.

A member of audience who had founded several social enterprises added that there were ways beyond such a percentage that could help address such issues. They include having a caregiver-employee partnership, so that the immediate psychosocial needs of the beneficiary could be met. Alternatively, financial incentives could be used to encourage or discourage specific behaviours. This of course would have to occur alongside other adequate support for all staff. For instance, one could design the workplace to suit the needs of the client group. In the example of employees with mental health issues, one could create a physical space for staff in case they have a breakdown or have psychiatric and medical help on-site in case of emergencies.

Concluding Statements

In his conclusion, Mr Alfie called on support for the sector, not just in terms of service or product consumption, but also investment of money, time, advice, and networks. Mr Sim added that the world was facing a slew of problems; from an uneven distribution of resources, to war, depression and sadness. He argued that this was the result of an overly masculine way of viewing the world, with winning and losing as a zero-sum game. He argued that we need a world with a “feminine mentality” — one that facilitates people, in which everyone is a winner. The measure a person’s success, he argued, should be how relevant he or she is to others. Ms Ng concurred that society seemed to value work in ways that were rather questionable. However, ending on a brighter note, she said she felt fortunate to be in Singapore because of the resources and opportunities available. Despite coming from a humble background, she felt that she was able to achieve success. As a rallying call, she encouraged the audience to create opportunities for the less fortunate, and to collectively create a better world.

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