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# STEP 4 - MARKET STUDY

SOCIAL IMPACT ACTIVITIES  
AND SOCIAL ENTERPRISES IN  
SOUTHEAST ASIA

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# 01

## ABOUT STEP 4 - MARKET STUDY

For the fourth step of this project, it was important to have an overview of the existing activities and social enterprises in Southeast Asia. This document will help us to understand tourism trends, the type of activities popular in different destinations and where these activities stand as regards to their price and targeted market.

It was necessary to conduct this market study to determine the best positioning for our activity.

## COUNTRIES STUDIED

Asia has a lot of famous destinations, further or closer to Cambodia. As part of this market study, we've decided to focus on Cambodia's neighbouring countries. As noticed in several travel brochures and tour operators' websites, Cambodia tours are likely to be joined with those destinations. That is why we are going to have a closer look to:

1. Thailand, the first destination for elephant tourism
2. Laos starting to grow as an ecotourism destination
3. Vietnam, where agritourism activities contribute to responsible tourism practices
4. Cambodia, trying to work against its orphanage voluntourism

The aim is to have a better understanding of the market and enter it without adding up or overlaying existing offers.

## 02

# 1. THAILAND

## THE LAND OF SMILE

### Tourism trend

Tourism is an economic contributor to the Kingdom of Thailand. More than 39 million tourists visited the Kingdom in 2019 and it is estimated to reach 79 million in 2030 according to Thailand's Ministry of Tourism and Foreign Affairs. Tourists mainly come from China, Malaysia, and India. However, Thailand also attracts a large number of Russian and American travelers who are respectively ranked at the 7th and 8th position.

### Social enterprises (SE).

Thailand has always endorsed the concept of SE, and with support from civil society and private sector, policies and relevant laws have been developed since 2010 when the Thai Social Enterprise Office (TSEO) was set up to promote social enterprises and develop a network.

The Thai Cabinet approved a new draft bill to encourage businesses to conduct more activities for the benefit of society, which will help develop communities and ease environmental problems.

In Thailand, there are around 300 social enterprises and the government expects another 10,000 [1] to be created in the next decade. The country's modern social-enterprise movement can be traced back to 1974, when the Cabbages and Condoms restaurant was set up [1].

However, a founder of a number of impact-driven initiatives and social enterprises in Thailand says: "In Thailand, not many people understand the concept of a social enterprise. Some people would ask "Why is this company trying to do good for society?"[2]

Today, a younger generation is developing new products and services for social impact. HiveSters and LocalALike.com, for instance, support innovative community based sustainable tourism. The HiveSters team works with local communities and social enterprises in its incubation program to create and promote activities that can bring more income to the local population, protect the environment and preserve what the founders call Thailand's disappearing cultural heritage. Amongst the most popular social enterprises in Thailand, are training restaurants such as the Cabbage and Condoms restaurants. Or, others like Courageous Restaurant which also proposes cooking workshops.

[1] Cabbages & Condoms (C&C) was established on the backbone of an NGO called Population and Community Development Association (PDA)

[2] *These Five initiatives are paving the way for impact entrepreneurship in Bangkok, Nov 2019, retrieved from <https://startupguide.com/these-five-initiatives-are-paving-the-way-for-impact-entrepreneurship-in-bangkok>*

## 03

# 1. THAILAND

## ELEPHANT TOURISM

More than half of Thailand's 7,000 elephants live in captivity [3]. It's been that way since 1989, when the country suspended almost all of the commercial logging that had employed them for generations. Jobless elephants, often with their keepers, ended up on the streets, wandering across farmlands or taking shelter in dangerous spots like highway underpasses.

Today almost all of the captive animals work to entertain tourists, often in remote clearings, for small-scale operations with no more than 15 elephants, similar to roadside farms in the U.S. that have emerged as tourist destinations. Sometimes visitors simply wander among and feed the elephants. But many of the so-called elephant camps let visitors bath and ride them. And larger, more touristy sites present displays that range from a few circus-style tricks to Vegas-like pageants with costumes, scripted narratives and light shows.

New understanding about how to handle Asian elephants, a global craving for ethical and sustainable travel, pressure from the rest of the world's travel industry and the glare of negative publicity have driven improvement in the lives of Thailand's elephants. Responsible travel activities including the preservation of elephants are now booming in Thailand, making it one of the first destination for such activities.

**Save Elephant Foundation** is a Thai non-profit organization dedicated to providing care and assistance to Thailand's captive elephant population through a multifaceted approach involving local community outreach, rescue and rehabilitation programs, and educational ecotourism operations. One of the sanctuaries part of the Save Elephant Foundation is located on is the Elephant Nature Park located in the North of the country.

- Elephant Nature Park is one of the best-known elephant conservation projects in Thailand. The centre was founded in 1995 and is located near Chiang Mai, in North-Thailand. More than 35 elephants live there freely, and many of them have been saved from torturous camps that exploit elephants for tourism or logging purposes. The centre is also home to dogs, cats, and other rescued animals. There are a few different ways to visit Elephant Nature Park, with both single day or overnight stays available. Amongst the activities proposed, visitors can watch them bath in the river, help at feeding time and stay a night to spend more time with the animals. Longer volunteer placements are also available.

[3] *In Thailand you can ride an elephant, but should you?* June 2019, Retrieved from <https://www.nytimes.com/2019/06/19/travel/thailand-elephant-tourism-humane.html>

# 04

## 2. CAMBODIA

### WHERE ANCIENT AND MODERN WORLDS COLLIDE

#### Tourism trend

Tourism is one of the most important sectors in Cambodia's economy. In 2018, Cambodia welcomed over 6 million tourists mostly coming from neighbouring countries such as China, Vietnam, Laos and Thailand. But also, a high percentage traveling from the United States and France. Within a year, the tourism sector has increased its number of arrivals by 10,7%.

Every year, more than 2 million tourists visit Angkor Wat in Siem Reap, the first tourism attraction in Cambodia. Since the 1990s, Angkor Wat has become a major tourist destination. In 1993, there were only 7,650 visitors to the site, by 2004, government figures show that 561,000 foreign visitors had arrived in Siem Reap province that year, approximately 50% of all foreign tourists in Cambodia. The number reached over a million in 2007 and 2.6 million by 2018. Amongst the major tourism attractions are also the floating villages in Tonle Sap, the unspoilt and preserved islands of Koh Rong and Koh Rong Samloen, as well as the province of Kampot.

#### Social enterprises

Cambodia is home to a wide range of social enterprises. However, social enterprises are not legally recognised in Cambodia. An entity can be registered either as a company or as an NGO but, there is no legal definition for a social enterprise yet. The law stipulates that “charitable activities and charity-linked activities are tax-exempt”. In theory, an NGO can have commercial activities without paying taxes provided that these activities are directly linked with its mission (such as a restaurant focusing on Food & Beverage vocational training might be granted a tax-exempt status). The closer the activity is to the core mission of the NGO, the more likely it is to be tax-exempt.

Instead, social entrepreneurs have to decide whether to operate their enterprises as a company or as an NGO.

Nevertheless, a website dedicated to social enterprises in Cambodia has been created, enabling travelers to locate social enterprises all over the country and get to know them. <https://socialenterprise cambodia.org/>

## 05

## 2. CAMBODIA

### ORPHANAGE TOURISM

Orphanage tourism is one of the most popular among volunteer travelers coming to Cambodia. According to a UNICEF report, three out of four Cambodian orphans in orphanages, have one or both living parents [4]. The volunteer tourism market is part of a system that is unfortunately fueling this separation of children and their parents, to respond to a growing tourism demand. This is why over 80% of children living in orphanages have at least one living parent, with poverty being the main underlying reason children are placed in care. Other common reasons include, disability, access to education, abandonment, and discrimination. Children with disabilities are at high risk of being abandoned and placed in orphanages. This is often due to stigma or because families do not have access to the social, health and educational services they need to support their children. Children with disabilities are also more likely to experience violence or abuse in orphanages[5].

In recent years, Cambodia has become the first destination for orphanage voluntourism and most of the orphanages that house these kids are funded through overseas donations. Tourists are actively encouraged to donate "for the children's sake", or even asked to volunteer as short-term caregivers in these orphanages.

However, it is important to note that Cambodia is trying to slowly shift to a new model with NGOs working together to make Cambodia a ChildSafe country. Awareness campaigns, the ChildSafe Movement initiated by Friends International, NGO workshops and educational centers have started to flourish to contribute to safer tourism practices. A few examples are:

- **A Mile in Serey's Shoes**, an interactive educational activity opened to everyone and initiated by the NGO Free To Shine. Suggested donation of \$55USD
- **Rok Kern**, educational center providing lessons and trainings to groups and (and individual via online lessons) around several topics such as voluntourism, initiated by Children in Families
- **ConCERT**, child protection workshop and visitors' center to help visitors see the bigger picture and find appropriate ways for them to help. 8\$
- The **ChildSafe Movement** with their ChildSafe Traveler initiatives. Targets international tourists, expats but also locals.

[4] UNICEF, *Cambodia's orphans, not really orphans*, retrieved from <https://www.dw.com/en/unicef-cambodias-orphans-not-really-orphans/a-6481673>

[5] Mulheir. (2012.) *Deinstitutionalisation. A human rights priority for children with disabilities. The Equal Rights Review*. Vol. 9. 2012. Retrieved from [http://www.equalrightstrust.org/ertdocumentbank/err9\\_mulheir.pdf](http://www.equalrightstrust.org/ertdocumentbank/err9_mulheir.pdf).

# 06

## 3. LAOS

### UNSPOILT NATURE AND UNIQUE WILDLIFE

#### Tourism trend

Laos has become a popular tourism destination in Southeast Asia. Last year it recorded 4.18 million foreign visitor arrivals, an increase of 8.2 per cent compared to 2017, according to the Tourism Development Department, Ministry of Information, Culture and Tourism.

The number of total visitors from Asia-Pacific region increased by 8.4 % to 3.94 million, and that from Europe rose by 3 % to over 165,000.

#### Ecotourism and cultural preservation

“Laos will become a world renowned destination specializing in all forms of sustainable tourism that, through partnership and cooperation, will benefit natural and cultural heritage conservation, local socio-economic development, and spread knowledge of Laos’ uniqueness around the world.”[6]

Laos has a low population density, diverse ethnic lifestyles and traditions and perhaps the richest, most extensive network of ecosystems on the Indochina Peninsula. More than 800 species of birds and 100-plus large mammals have been identified with new species being discovered every year. Some of the better-known species are tigers, clouded leopards, douc langur, gibbons, the Irrawaddy dolphin, hornbills, peafowls, ibis, crested Argus and silver pheasants.

In place to protect and conserve these irreplaceable resources is a network of 20 National Protected Areas (NPA), often cited as one of the best designed Protected Area Systems in the world.

In addition to the country’s vast protected forests and aquatic resources, Laos has two UNESCO World Heritage Sites - the ancient city of Luang Prabang and the pre-Angkorian Vat Phou temple complex. There is also the mysterious Plain of Jars, a soon to be nominated World Heritage Site that is of significant archaeological, historical and natural value. Eager to position Laos as a premier ecotourism destination, the Lao National Tourism Administration, related government agencies and the private sector are working hard to realize the ambitious vision put forth in the country’s National Ecotourism Strategy and Action Plan[7].

[6] *Ecotourism Laos, GMS Sustainable Tourism Development Project in Lao PDR* retrieved from <http://www.ecotourismlaos.com/index.php/lao-ecotourism>

[7] Available on <http://extwprlegs1.fao.org/docs/pdf/lao163645.pdf>

## 07

## 3. LAOS

### ECOTOURISM AND CULTURAL PRESERVATION

Ecotourism in the Nam Et-Phou Louey National Protected Area (NEPL NPA) is supported by the NGO Wildlife Conservation Society and has been designed to create positive impacts by encouraging local people to protect endangered wildlife such as tigers and their prey. The economic benefits to local communities from ecotourism activities in NEPL NPA are directly linked to the continued existence of wildlife as each reported sighting of wildlife by tourists results in a financial reward for the local guides (all former hunters and fisherman) and other villagers involved in the ecotourism project.

Social enterprises and NGOs working to preserve Laos' culture are multiple. The first and most famous one is Ock Pop Tok. Ock Pop Tok is a social enterprise located in Luang Prabang, and is one of the most important textiles fabric, along with art, institutions in Laos and Southeast Asia. Ock Pop Tok has two shops and the iconic Living Crafts Centre (LCC) situated along the banks of the beautiful Mekong River. It was founded on the principles of fair trade and sustainable business practices and the original concept was to bring people together through textiles to exchange knowledge and ideas.

Ock Pop Tok gives weavers the ability to make weaving a sustainable source of income for their families, and communities as much as possible. By opening a venue where visitors can see and practice their craft they are able to educate visitors about the cultural and artistic value of the textiles which in turn, increases the economic value of the work.

Another major social impact experience is The Living Land Farm Experience (\$35) just outside Luang Prabang. It is a unique way to experience traditional culture, engage with the locals and understand everything about the rice production in the country. This farm also offers employment opportunities to people with little education, many of whom would otherwise struggle to find work.

Visitors learn rice farming techniques steps-by-step and cooking methods, but also get to experience how it is to plough a field with a water buffalo, chop down rice with an old fashioned Sycle, and wade through muddy rice fields at different stages of cultivation. It enables them to get a better understanding of Laos' rural life and keeps local traditions and farmers safe.

There are also opportunities to learn other skills such as bamboo weaving, or blacksmithing where you use fire from the ground, bellows, stones to sharpen a blade and a water bucket to cool the metal down.



# 08

## 4. VIETNAM THE LAND OF BLUE DRAGON

### Tourism trend

In 2019, Vietnam received 18 million international arrivals, up from 2.1 million in the year 2000. The Vietnam National Administration of Tourism is following a long-term plan to diversify the tourism industry, which brings foreign exchange into the country. Tourism is important in Vietnam. For backpackers, culture and nature lovers, beach-lovers, military soldiers and veterans, Vietnam has become a new tourist destination in Southeast Asia. Local and international tour operators offer tours to ethnic minority groups, walking and bicycle tours, photography tours, kayak trips and multi-country trips in particular with neighboring Cambodia, Laos and Thailand. Vietnam attracts mainly Chinese, South Korean and Russian tourists, followed closely by Japanese and Americans.

### Social enterprises in Vietnam

The term 'social enterprise' gained legal recognition in the country in Vietnam only a few years ago. Before 2012, the term social enterprise attracted little attention in Vietnam. It was not until 2014 that the term social enterprise was officially recognised as a distinct type of organisation in Vietnam's Enterprise Law [8], thereby paving the way for a more developed ecosystem of social enterprise support.

Nowadays, 19,000 social enterprises have been formed [8] and are working in different fields of activities ranging from vocational training restaurants, to social impact tours providers, or crafts and souvenirs shops selling local handicrafts. In addition, the flourishing social enterprise platform LocalAlike.com has set foot in Vietnam to propose several social impact activities to visitors.

Local Alike works hand in hand with local people to promote 'community-based tourism' to provide travelers with authentic and meaningful travel experiences. As a result, Vietnam is promoting its growing social impact activities, with a focus on agritourism.

[8] *Vietnam's vibrant social enterprise sector has more to give*, April 2019, retrieved from <https://www.pioneerspost.com/news-views/20190409/vietnam-s-vibrant-social-enterprise-sector-has-more-give>

## 4. VIETNAM AGRITOURISM

Agriculture is the sector that has the majority of social enterprises, accounting for around 35% [9] of the total number of social enterprises located in Vietnam. This is perhaps no surprise given that agriculture contributes a quarter of the country's GDP, employs over 70% of the population and 90% of the poor living in rural areas, according to the Overseas Development Institute [9]. According to statistics, as of early 2016, Vietnam had 23 million people working in agriculture. Each region has its own characteristics that create local cultural identities which is very attractive to visitors. Currently, agritourism is mainly developed by households. Tourists will be able to experience countryside living and working environments and daily activities such as catching, gathering, cooking and enjoying by spending time as part of a homestay.

Dr Tran Van Khoi, Acting Director of the National Agricultural Extension Centre, said, "The combination of sustainable agricultural production and ecological tourism has created ground-breaking innovations to enhance production performance, increase income for farmers and contribute to sustainable agricultural development." [10] Thus, agricultural tourism is directly engaged by local people who manage, provide and guide services to be the biggest beneficiaries in the field.

As mentioned previously, [LocalALike.com](http://LocalALike.com) supports innovative community based sustainable tourism. As a result, a wide range of full day, half day, and workshops around agritourism initiated by local NGOs and social enterprises are offered. Among those activities we can find:

- **The Thang Dong Organic Farm**, where participants can learn how to harvest vegetables and enjoy a meal prepared and cooked with local farmers. \$52
- **The Mini Cam Thanh Cooking Class**, which is a day trip to an agricultural village in the outskirts of Hanoi, where visitors learn about the farming techniques and participate in a cooking class. \$54
- **Coffee making process in Buon Me Thuot**, empowering local farmers to crop coffee and provide them with an additional income.

[9] *Vietnam's vibrant social enterprise sector has more to give*, April 2019, retrieved from <https://www.pioneerspost.com/news-views/20190409/vietnam-s-vibrant-social-enterprise-sector-has-more-give>

[10] *Agritourism: In need of good strategy*, October 2017, retrieved from <http://vccinews.com/news/35220/.html>

## MARKET STUDY CONCLUSION

In the last decade, Southeast Asia has seen its social enterprise and social impact activities grow at a rapid pace. Working towards giving back and empowering local communities, these entities are trying to pave the way of a merge between the non profit and for profit sectors. With vocational restaurants and craft shops being the most common form, Southeast Asian countries have developed their own niche responding to local needs and issues.

Whether it is Thailand with a focus on elephant sanctuaries, Cambodia fighting against orphanage voluntourism, Laos working towards ecotourism and cultural preservation or Vietnam promoting agritourism, activities and initiatives are multiple but specific to each destination.

With prices ranging from donation based activities to full day workshops for \$55 USD, prices remain very much aligned from one country to another and a feeling that SE and NGOs are working together rather than competing against each other, as is common within the tourism industry.

