This summer, I interned for Shujog in Singapore for the two months of July and August. Shujog and its sister organization, Impact Investment Asia (IIX), provide services to support social enterprises in Asia including incubators for early-phase enterprises, technical assistance for enterprises looking to scale, impact assessment frameworks to enterprises seeking to manage their impact, and finally capital raising services for enterprises looking for investment capital. I specifically worked on the impact assessment arm of Shujog, which views assessments as a necessary due diligence in the impact investment process.

My work at Shujog focused on assessing the social and environmental impact of Hamona, a premium coconut water producer in Vietnam. I worked on all parts of the impact assessment from start to finish. Firstly, I was involved in background and desktop research on the enterprise, its activities, and its business plan. Then, I set out with my coworkers to Vietnam for a field visit where we met with the entrepreneur, his team, and the farmers who are the main beneficiaries of the enterprise. Lastly, I worked on producing the impact assessment framework, the data collection guide, and the impact summary for the client.

Shujog relies on the Social Return on Investment (SROI) for assessing impact. SROI is an internationally recognized methodology that quantifies and monetizes social and environmental impact, and is suitable for small-scale enterprises. SROI is a bottom-up approach to impact measurement, and focuses on engaging stakeholders and beneficiaries in the evaluation process. As such, the field visit to Vietnam was the most important component of the impact assessment, and allowed me to engage with the work of enterprises in developing countries on the ground.

Approaching this internship with an understanding of impact assessment from a development economics perspective, I was challenged to adjust my terminology and explanations to effectively communicate my ideas to people working in the social enterprise environment. I had to come up with creative ways of explaining to entrepreneurs what a control experiment was, and how they can benefit from comparing the impact of their work on a certain population, with the impact on another similar population that is not engaged with the enterprises work. Thinking of academic concepts and communicating them without using the words “regression”, “endogenous variables” or “randomization” allowed me to critically evaluate what aspects of impact assessments are really helpful for enterprises and social entrepreneurs.

My experiences this summer have allowed me to understand more about how to practically restructure capital markets so that they recognize the importance of social and environmental impact alongside financial returns. In addition to the need for conducting impact assessments and rigorously benchmarking social and environmental impact, there needs to be a radical rethinking of the way people (stakeholders, entrepreneurs and investors) think about the scale and timeline of returns. While presenting Hamona, the social enterprise we evaluated in Vietnam, investors were unable to understand the business plan of the premium coconut water manufacturer. It appeared to them that there was a huge amount of demand for the product, and supply was unable to catch up. As we had learned from our fieldwork with Hamona, coconut farmers were bound in their loyalty to middle-men who purchased their produce at market price. The crux of Hamona’s work
is in convincing farmers to abandon this social practice in return for a fixed market price of coconut throughout the year. Most farmers, we learned, were scared and reluctant to foster new ties with an unknown party, even though they were offered higher and more stable prices than offered by the middlemen. It requires time and effort to build this trust with farmers and to boost up the supply of coconuts. Therefore there is a social currency that is attached to increasing supply that the investor, who perceives markets as self-correcting mechanisms that follow profit, did not understand.

In addition to working on the Hamona impact assessment, I was responsible for a number of different tasks throughout my time in the office. For example, I conducted some research into the existing methodology and best-practices in impact evaluation for the impact investing ecosystem. I also had access to all the different evaluations that Shujog has conducted since 2011, so I tried to view the available data through a macro lens, and attempted to deconstruct some patterns and trends within enterprises working in different sectors. One interesting question that was posed by the data was the difference between the impact of social enterprises working in a developing context (ex. Vietnam) and those working in a developed context (ex. Singapore). The data showed a trend in the sectors impacted, for example, enterprises in developing countries seemed focused on issues like health, education, agriculture or sanitation, whereas enterprises in developed countries seemed focused on issues like elderly and disability care. In addition, small impacts on a large number of beneficiaries seemed common in a developing context, whereas large impacts on a small number of beneficiaries seemed common in a developed context.

Overall, this summer allowed me to intimately engage with questions within social enterprises that include adapting academic impact assessment methodology for a smaller, more resource constrained contexts, incorporating an understanding of social capital in the functions of financial markets, and lastly considering the scope and context of the impact of enterprises. The experience has also left me with invaluable skills, precious knowledge, and a number of paths for further research and engagement.