

Keeping non-profit organizations running and sustainable

Adopting social enterprise approaches can lead to self-reliance, an alternative way of sustaining and leveraging an organization's social and cultural missions.

Fund raising that would lead to the availability of the highly desired so-called "everlasting fund" for the development of Indonesian arts and culture was a trending topic several years ago.

The national issue was addressed in response to the financial constraints facing organizations with arts and cultural missions due to the limited budget provided by the government and a lack of awareness within the general public about the importance of donating funds to arts and cultural missions. Subsequent to this, a forum group discussion (FGD) themed "Seeking Financing Format and Resources Raising Strategy for Indonesian Arts and Culture Development" on March 10, 2010 revealed a call to embrace philanthropy and philanthropists as an alternative solution to the financial constraint.

Arts performances were frequently used as an appeal, utilized to drive prospective individual donors to attend charity programs and to donate funds to social and humanitarian institutions and "so amid a limited budget obtained from the government, why not use philanthropy as an alternative fund source?" they reasoned.

Irrespective of being right or wrong, this conclusion reflected the crucial nature of funding and its availability when trying to sustain social and cultural missions.

It was also an indication of organization dependency in terms of fund sources because, in generating funds, an organization relies heavily on the expected generosity of individual donors or companies contributing funds for activities.

Dependency in terms of generating operating funds might create an uncertainty that could potentially affect the sustainability of an organization's day-to-day operations.

Therefore, the idea of adopting a social entrepreneurial approach

is, surely, worth considering for non-profit organizations with social and cultural missions, eager to be financially self-reliant and to, subsequently, ensure long-term sustainability.

As you may be aware, the UK is home to a throng of arts, social and cultural organizations, many with firmly engraved success stories when it comes to social enterprise. The Southbank Center, Tate Modern and the British Council are just a few high profile names among those UK non-profit organizations that have achieved self-reliance in managing their programs.

For instance, look closely at Southbank Center, the world famous arts center, and you will discover that it was originally funded and managed by the London Country Council and the Greater London Council. Becoming an independent arts organization in April 1988, the center, built in 1951, is recognized as a place that encourages everyone to become involved in the arts in new and creative ways. Currently it organizes 5000 events per year and generates annual revenue of GBP 44 million from arts classes and performances, including *gamelan* (traditional Javanese music).

Walk the talk

The British Council, the UK's international organization for educational opportunities and cultural relations, walks the talk when it comes to social enterprise. The Royal Charter charity offers both relevant expertise and a wealth experience.

Sharing expertise and experience in successful social enterprise is the British Council's society vision. "We seek to support societies whose young people, citizens and institutions contribute to a more inclusive and prosperous world by leveraging UK leadership in social enterprise which is one of the key themes for our society work," explains a representative from the



Courtesy of The British Council

Entrepreneurship matters: Representatives of non-profit organizations attend Diageo-British Council-organized workshop on social enterprise in Bandung.

British Council.

Prime Minister David Cameron has also been known to show support for social enterprise.

"We need to recognize the full potential that social enterprise has. It is not just about helping to tackle social problems at the community level; it is about mainstream businesses delivering public services with a distinctive focus on quality, serving the community, and employee pride ... social enterprises are not just creating social good, but creating jobs and opportunity," he said.

Currently operating in more than 100 countries worldwide, the British Council also put social enterprise approach into practice to ensure its sustainability.

Less than 25 percent of British Council funding comes from a UK government grant, and "we earn the rest from services which customers pay for, education and development contracts that we bid for and from partnerships," a representative said.

"The British Council has transformed from an organization that received a full grant to one that can operate fairly well with less than a quarter of total operating costs. Why? Because we run our

organization in the same way as a corporation runs. However, we reinvest the surplus for our programs," said Ari Sutanti, program manager of the British Council Indonesia, in an interview.

Community-based social enterprise using the entrepreneurial approach to fundraising is not a new concept in Indonesia, organizations should be familiar with it. Several organizations with educational and social missions, such as Muhammadiyah, the country's oldest and second-largest Muslim organization, have successfully adopted the approach in order to manage their programs, with the running of schools and hospitals as their main source of funds.

Even though the term social entrepreneurship is relatively new in academic research, the initiatives which fulfill the key characteristics of social enterprise were founded in Indonesia long before its independence, according to a study titled *The Social Movement and Social Enterprise Development in the Emergence of Indonesia, 1895-1945*.

The study says that the term social entrepreneurship first gained recognition in Indonesia approximately 30 years ago when

Ashoka Foundation launched its initial programs in 1983.

However, organizations bearing similar characteristics to those currently labeled as a social enterprise can be traced back as far as the pre-independence period, in the late 1800s.

The findings of the study suggest that most social movement organizations during this period used social entrepreneurship strategies to achieve the mission of empowering local communities and promoting the notion of independence. Thus, the growth of social entrepreneurship in Indonesia appeared to be largely due to the nationalist movement.

"Islam, as the religion of the vast majority of Javanese, had also been very influential in shaping social entrepreneurship in the country," the report explains.

However, promoting the approach comprehensively among organizations with social and cultural missions in Indonesia did not start until 2009 when the British Council, in partnership with the Arthur Guinness Fund, launched the first Community Entrepreneurs Challenge (CEC), an annual competition celebrating

social innovation through community enterprises.

The social enterprise has been defined as 'a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community'.

"What we want to do with social enterprise training and workshops is to give an added value to what other organizations, those that provide similar activities, have done," said Ari.

In supporting social enterprise development in Indonesia, the British Council provides capacity building training for social entrepreneurs, NGO, civil society and university students. It also initiates partner-funded awards, schemes providing investment to social enterprises and works with policy-makers and investors in building eco-systems for social enterprises.

Within four years of implementation, the CEC has provided capacity building to representatives of over 450 selected communities and identified the 32 best practices of community enterprise across the archipelago.

This year's programs are targeted at organizations with social and cultural missions, whose business has multiplier effects. "The program will not only have a good impact on an individual organization owner, but should also be of benefit to the many other people with whom they work."

Sustaining an organization does not merely revolve around a conversation of funding, it should also focus on how to maximize the management; how to prepare a good financial report, how to provide a comprehensive business plan and how to earn money for social missions, explains Ari.

To ensure the smooth running of the social enterprise program, the British Council partners with relevant stakeholders, including Diageo. "We are open to any partnership and collaboration because partnership allows us to learn together, reach wider audiences, have greater impact and get feedback from what we have done," she notes. **(JP/Sudibyo M. Wiradji)**

Arts, creative and tourism organizations: Time to grow

Following the successful implementation of the Arthur Guinness Fund- the British Council Community Entrepreneurs Challenge, a forum group discussion revealed that arts, creative and tourism organizations still lack the necessary support to realize their goals and innovations.

This explains why the joint support from the BC and Diageo in the form of community-based social enterprise capacity building for 2015 is focused on arts, creative and tourism organizations.

Launched officially under the name Diageo-British Council Social Enterprises Challenge for Arts, Creative and Tourism Organizations, the initiative aims to facilitate Indonesian arts, creative and tourism organizations to sustain and leverage their missions, using innovative entrepreneurial approaches.

Many of Indonesia's arts, creative, and tourism organizations combine the transformative social missions of civil society organizations; the inventive spirit of small-scale community based enterprises; with their own unique way of expressing ideas and engaging with the public, according to the BC.

"We believe that their presence is critical, most significantly for generating intellectual, cultural and social capitals shaping any nation's well-being and reputation: creative talents, a culture of innovation, intellectual discourse as well as social tolerance and cohesiveness."

"Today business transacting in creative goods and services are increasingly recognized through public policies and private investments. However, there are difficulties in monetizing and achieving economic-scale for organizations that tend to focus on social and cultural transformations rather than profit-seeking," it says.

The growing interest in the creative sector has prompted the government to set up a special body to oversee the creative sector but "working hard should continue

so that this relatively new sector in the country can develop, grow and sustain," according to Diageo's corporate relations manager, Dendy Boarman.

"We hope that this small contribution will be able to help creative organization to grow and strengthen networks among them and with other stakeholders, including the government. Through the program, we also hope that the government will pay more attention to this sector, including building a partnership with the private sector to give further supports," he said.

This sector will become one of the prospective businesses in the future, especially in terms of economics and social investment, according to Dendy.

"Learning from the UK, where the creative sector has become one of its economic backbones, we are confident that Indonesia will be able to follow suit," he added.

Participated by 44 organizations, the program featured four-day training with UK and Indonesian experts on how to utilize the social enterprise concept to leverage their social and cultural mission.

At the final end of the program, each organization was required to develop a mission-driven business plan. A panel of experts has selected the best plans, with a total of Rp 150 million for three organizations, and opportunity to go to UK to learn about social enterprise in the arts, creative and tourist sector for three organizations.

Organizations that received the grants were C20 Ayorek, HONFabLab and Yayasan Padmasana. The three other winners were the Bandung Creative City Forum (BCCF), ruangrupa and Toraja Melo, all of which will get the opportunity to take part in the UK study visit.

The competition is designed to identify and support community based social enterprises that can inspire generations of potential change makers. "Though competition, the selection of



Courtesy of Padmasana Foundation

Priceless cultural legacy: Several tourists relax under the shade of a tree, with Muarajambi Temple as their backdrop.

organizations that receive our treatment or support can be objective as it is not based on preference. Apart from that, we see what they really need. From there, we can prepare a training module suited to their needs," Ari Sutanti of the BC said.

Highlighting the benefits of taking part in the program, the BC says that participants had the chance to understand social enterprise concept and methodologies that "will help your organization identify opportunities, including where relevant, business initiatives, with which to sustain your mission."

It also allowed participants to develop agreed measure indicators "that will help your organization improve stakeholders' understanding of the values of cultural, social and intellectual capitals and consequently increase potentials for attracting investments and partnerships."

Encouraged to take part in the program are arts, creative, or tourism organizations, including artist-run space, creative communities, cultural institutions, museum, community based tourism organizations whose primary

mission are social and cultural transformation rather than profit creating.

Profit-making arts, creative and tourist businesses are also welcome. They include craft producers, design studios, game developers, advertising agencies, travel and culinary companies.

Under the partnership program with the BC, Diageo takes an active role, starting from planning, and executing to monitoring and evaluating the achievements and impact from the program.

Diageo is not a mere a fund provider but more focused on partnership, in line with the company's sustainable development concept that it adopts with its partners and which should give wider advantage to the communities, especially in areas where it operates, according to Dendy.

Support to arts, creative and tourism organizations are given through capacity and networking development packaged in the form of competition.

"We are confident that the model will contribute to the creation of more and diverse number of social capital across Indonesia," he said. **(JP)**

Entrepreneurship favors Padmasana

Perkumpulan Padmasana (the Padmasana Foundation) has expressed increased confidence in carrying out its mission of raising public awareness about the importance of preserving the Muarajambi Temple complex in Muaro Jambi regency in Jambi.

Mukhtar Hadi, head of Perkumpulan Padmasana, said the foundation's increased confidence was achieved following its participation in the capacity-building training under the Diageo-British Council Social Enterprise Challenge for Arts, Creative & Tourism Organizations 2015 program.

The capacity-building training covered community-based entrepreneurship and management. "Through the training, we could gain knowledge about organizational management, social entrepreneurship ensuring self-reliance in program management, and access to wider networking," he said in a phone interview.

Established in 2011, Perkumpulan Padmasana is a consortium of three local youth organizations, namely Saramuja, Dwarapalamuja and Macro Film International. It serves as an agent whose main task is to raise public awareness about the need to preserve the Muarajambi Temple complex.

Since its inception, Padmasana has been self-reliant in terms of operating costs, with revenue generated from multi-media, video and graphic-design services, tour-guide services, selling tour packages and souvenirs and other tourism-related activities.

"Tourism has become part of local residents' livelihoods and therefore, "preserving the Muarajambi Temple complex is crucial. Apart from the heritage and culture-awareness raising campaign, we also aim to improve local people's standards of living through heritage-tourism activities, which is another of our missions," he said.

Padmasana is one of the six non-profit organizations that won a Rp 50 million (US\$3,650) grant from the community-based social enterprise capacity-building program run jointly by the British Council and Diageo last April.

Following its participation in the capacity-building training program, Padmasana has set several priority programs, which include providing free information services related to the tourist site for the public.

"Serving as an information service center, our foundation provides several guided tours that will help anyone eager to know more about the temple and we provide the service free of charge," he said.

Apart from that, the foundation has also initiated an education program on the universe through Sekolah Alam Raya Muaro Jambi (Muaro Jambi School of the Universe), with junior high school students being the target.

"This is part of our efforts to cultivate conservation values among young people and share knowledge about the importance of regeneration and innovation in preserving cultural heritage," he said. "Regeneration is crucial to ensuring conservation programs are sustainable," he said.

Mukhtar expressed the hope that in the long-term, it would be advisable for the British Council to jointly engage in the education on the universe for local people," he said.

The foundation had been struggling to constantly foster local people's love of the Muarajambi Temple complex and caring for nature in the surrounding areas amid the lack of support from local government. **(JP)**

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