
Cabbages, condoms and bamboo schools



Recovering costs and generating revenues goes hand-in-hand with one group's approach to eradicating poverty and empowering rural communities in South East Asia.

For Population and Development International, among Thailand's largest and most diversified non-profits, recovering costs and generating revenues goes hand-in-hand with eradicating poverty and empowering rural communities in South East Asia.

Cabbages and Condoms. Open any travel guidebook to Bangkok and you'll likely find a listing for this unusual restaurant chain where after-dinner mints are replaced with free condoms. Food reviews aside, you may have guessed there's a social mission behind its eyebrow-raising moniker: family planning.

For Population and Development Association (PDA), the non-profit organisation behind Cabbages and Condoms, social work in Thailand has been at its core for nearly four decades. Today, as the social responsibility sector and experimentation with social innovation models gain momentum worldwide, this pioneering organisation's history and diverse programmes offer lessons from its tried and tested practices.

First among them is building *sustainable* social enterprises by recovering costs and generating revenues.

“The approach of social enterprise is you can start as a business, eventually grow and then you come back and set up foundations,” says Tanatat Puttasuwan, Executive Director and President for Population and Development International (PDI), the international arm of PDA, coordinating projects in countries such as Cambodia, Laos and Sri Lanka. “Non-profits are still thinking grants and donations and are not used to this type of thing.”



Cabbages and Condoms, along with PDI's similar ventures in the resorts and hospitality industry, is a thriving mainstream business where profits generated are invested in rural development efforts. With 11 restaurants including one in Oxford, England, the business donated US \$1.8 million to PDI in 2009, notes Puttasuwan. "The selling point [for customers] is that the money you spend here goes to good causes and people don't mind spending more." It's the *profit maximiser* in PDI's operational model. Successful management of the business venture(s) is critical, he adds, and professionals are routinely hired to run operations. The *profit optimisers* in PDI's portfolio are benefit services provided at cost. PDA's health clinics in Thailand, for instance, provide consultancy and family planning services at rates significantly lower than even those charged by public hospitals, Puttasuwan explains.

But PDA didn't start off with this business-driven model. It was founded in 1974 to promote family planning in rural Thailand during a time when population growth was accelerating at 3.3 percent. "We started with non-profit work, with poverty eradication work and then we found that we can't do this without financial resources," reflects Puttasuwan. But, "we [could not] beg forever." Their model has since evolved and continues to evolve where they now manage a couple of projects designed to recover costs and generate revenues and others that rely on funding and collaboration with the private sector. "We have to generate income and the only way to generate income is to do business." Today, the organization is about 80 percent self-reliant.

Empowering rural communities

The notion of business profits fuelling social projects is perhaps even commonplace today with corporate social responsibility initiatives cropping up worldwide. But PDI and PDA's sustainability model extends beyond its own balance sheets.

Apart from redirecting its profits to social missions, the organisation takes a hands-on approach toward creating empowerment programmes where they teach villagers to assess their own needs and to implement sustainable projects. With philanthropic and corporate giving levels at record levels, the challenge is not in garnering donations from wealthy individuals or corporate foundations for the initial investments but in explaining to the village

communities, says Puttasuwan. [See text box] Out of that need arose PDI's "*Barefoot MBA*" where participants are taught strategies for success at the grassroots level and trained to become planners, managers and leaders.

"You have to make sure that work is continued and the only way to do that nowadays is to tie it to revenue streams," explains Puttasuwan. "Not just at our organisational level but at the village level too." PDA's programmes are based on the belief that local people are best suited to shape and sustain their own development. "We have a model that we think is sustainable not only for PDA and PDI but also for the people who are the beneficiaries of these models.

Creating innovative marketing campaigns

The organisation's creative and sometimes unconventional methods date back to the time of its creation by Thai politician and activist, Mechai Viravidiya. When birth control pills proved ineffective in slowing fertility rates, Viravaidya aggressively campaigned nationwide for the use of condoms. He sought Buddhist monks to bless contraceptives with holy water to de-stigmatise condoms; there were condom blowing contests in schools; memorabilia circulated for the "weapon of mass protection" and the inception of Cabbages and Condoms in Bangkok. By 2000, Thailand's population growth rate dropped to 0.5 percent and number of children per household went from seven to 1.5. The organisation's efforts have been widely credited toward driving the scale of impact.

PDA has since grown into one of Thailand's largest, if not the largest, non-profit organisation with a full-time staff of 800 and more than 12,000 volunteers. Their outreach efforts are believed to reach 10 million Thais across 18,000 villages and poor urban communities.

Educating the next generation

Among its recent endeavors, PDI launched the Mechai Pattina School in May 2009 to further its youth philanthropy efforts. Constructed entirely of bamboo, the school permits students to attend beginning in Grade 7, but by way of a selection committee made up of enrolled students. Fees are paid in kind—students and parents have to plant 400 trees and perform 400 hours of community service.

Furthermore, students are given the responsibility of participating in the teacher selection and evaluation processes; they are encouraged to participate in the purchasing committee and develop their budgeting, planning and negotiation skills; and they even get to design their own uniforms. They choose which projects and activities they would like to explore and are encouraged to identify problems and come up with solutions, including developing social enterprises that have a positive impact within their community.

“PDI reflects a powerful trend toward self-reliance and employing sustainable business models we see among social enterprises in Asia and elsewhere in the world,” says [Hans Wahl](#), executive director of INSEAD’s Social Entrepreneurship Initiative. “The spin-offs are impressive because they have a positive impact on health, community and family stability, human rights, as well as economic development.”

Looking ahead, Wahl notes growing trends in infrastructure building with microfinance, social impact investing and strategic philanthropy, to support such entrepreneurial efforts. Even large-scale commercial enterprises, he adds, are moving beyond viewing corporate social responsibility (CSR) as a public relations tool to assuming a genuine role in advancing social needs. “There will always be an essential role for philanthropy but we already see charities becoming more strategic, engaged and focused on outcomes.”

INSEAD Knowledge spoke with Tanatat Puttasuwan in Singapore on the sidelines of a Memorandum of Understanding event between PDI and the Singapore International Foundation.

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