

## **Introduction**

The Philippine Journal of Social Development (PJSD) strives to showcase the College of Social Work and Community Development's (CSWCD) brand of scholarship of engagement that is people-centered, community-based, participatory, gender-responsive, life-affirming, integrative, and transformative. It invites contributions from scholars inside and outside the College to shed light on both enduring and cutting-edge themes that are part of its research and extension agenda. Previous issues of the Journal have focused on migration, disaster risk reduction and management, social protection, peace and governance. This issue has for its theme a relatively new and exciting direction to explore: “Social Solidarity Economy (SSE) as an Alternative Path of Development.”

It may be recalled that the CSWCD played a leading and strategic role during the 5<sup>th</sup> international meeting sponsored by RIPPSS (Intercontinental Network for the Promotion of Social Solidarity Economy) held in UP Diliman. The Meeting attracted more than 160 foreign participants from five continents, and more than 500 participants from various local institutions and organizations, including 42 CSWCD faculty, students, and staff. Of all the foreign participants, the Latin Americans led by Brazilian Minister of Solidarity Economy Paul Singer, were the most passionate and awe-inspiring, sharing decades of praxis and visions of “buen vivir” (the good life). Exchanges during the Meeting integrated various knowledge bases bridging many academic disciplines; e.g., economics, community development, women and development studies, labor and industrial relations, Asian studies. Self-organized activities (SOAs) featured research papers and case studies from the ground. And the cutting edge discourse on solidarity economy as an alternative development model to neoliberal globalization resulted in fresh and liberating ideas on how to empower the poor. The role of public policy and governance was also foregrounded, as policy directions and draft legislation were discussed in plenary to envision and eventually construct an enabling environment for the solidarity economy initiatives of the marginalized.

## **SSE Definitions, Principles, Concepts, and Visions**

In this issue, Dr. Benjamin R. Quinones, Jr., RIPESS Executive Coordinator and a leading proponent of SSE, invites readers to “rediscover solidarity economy” through community-based supply chains. In a previous article, he offered this definition:

Solidarity economy is a socio-economic order and new way of life that deliberately chooses serving the needs of people and ecological sustainability as the goal of economic activity rather than the maximization of profits under the unfettered rule of the market. It places economic and technological developments at the service of social and human development rather than the pursuit of narrow, individual self-interests.” (Quinones, 2008)

In his view, solidarity economy has five distinguishing principles:

- the objective is to serve its members or the community, instead of simply striving for financial profit;
- The economic enterprise is autonomous of the State;
- in its statute and code of conduct, a democratic decision-making process is established that implies the necessary participation of users and workers;
- it gives priority to people and work over capital in the distribution of revenue and surplus;
- its activities are based on principles of participation, empowerment, and individual and collective responsibility. (Quinones, 2008)

There are other ways of defining, conceptualizing, and envisioning solidarity economy in the Philippine context. One is to link it to the broader perspective of sustainable development with its triple bottom lines: people (enhanced social well-being), planet (healthy climate and environment), and profit (economic sustainability) (Dacanay, 2013; Quiñones, 2012). Another is to rediscover it as a revival of indigenous cultural values. The values of solidarity economy include sharing, co-responsibility, reciprocity, freedom, and equality. There is a term in Filipino that conveys all these values. The word is “bayanihan” (Quiñones, in Mercado, 2009, p. 20).

Quiñones points out in his article in this Journal that in the 1950s, the Philippines was second only to Japan in Asia in terms of economic development. This status was eroded by misguided policies imposed from outside. A series of changes, including structural adjustment programs associated with neoliberal globalization, led to high levels of hunger, poverty, unemployment, and disasters associated with environmental degradation and climate change.

Today, Quiñones says in his article, “the destruction wrought by neoliberal policies and programs on community economies” (p. 4) has contributed to the continuing exclusion of the poor and the marginalized in the development process. He is not alone in offering this analysis. Given the harmful impact of neoliberal globalization which has resulted in an overwhelming majority of losers and a tiny minority of winners, many local participants in the RIPPES International meeting pushed for “SSE as a strategy for inclusive development where the people and non-governmental organizations utilize social enterprise to improve the well-being of the poor and increase their incomes, promote environmental protection, and contribute to community economies” (RIPPES Compilation, 2013, SOA 6, 10 ).

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There are many challenges, however, in realizing SSE as a strategy or model for alternative and inclusive development. Quinones notes the fragmentation of most local enterprises as they try to integrate themselves in profit-oriented global supply chains whose products are ironically supported by local consumers in an economy dominated by profit-driven food chains, megamalls and extractive industries. He also cites the absence of a well-defined consumer base for SSE products, one that should be developed through the revival of indigenous concepts such as “bayanihan” and “tangkilikan.” Given this context, there is need to go beyond the level of the individual social enterprise, and to move towards creating a chain of enterprises linked together and sharing responsibilities in financing, supplying inputs, production, marketing, and consumption. In every link in the chain, the poor must be visible and must have a say.

The pro-poor bias in the SSE discourse is highlighted in the emphasis on participation and control during one of the self-organized activities in the 5<sup>th</sup> RIPESS Meeting:

SSE is a people centered economy with enterprises controlled and managed by the associations of community people. There is a significant involvement and participation of the basic sectors to control resources such as land, capital, markets, technologies, and policies at different levels: local, national, global. Since poverty is linked to unequal economic relations at the international level, it must have a strong movement fighting against discriminatory global market policies to allow small economies to grow (RIPESS Compilation, 2013, SOA 10).

### **Focus on Community Based Supply Chains and Social Enterprises**

Community-based supply chains, therefore, should become the focal unit of action for shared responsibilities as well as for an enabling policy environment. In this supply chain, the biosphere is considered to be a finite source of resources that motivates the various actors in the chain to veer away from the destructive and unsustainable profit-oriented model to the triple bottom line model. All the actors have shared responsibilities because not one actor can negotiate the paradigm shift alone.

Dr. Quinones' article presents a concrete example of this in the case of the free-range chicken project managed by On Eagle's Wings Development Philippines Foundation (OEWf). He claims that "An evaluation by OEWf shows that civil society organizations (CSOs), people's organizations, local for-profit private companies, and the local government unit managed to work together in developing a socially inclusive community-based supply chain" (p.1). According to him, the insight from this experience "suggests the relevance of a public policy favoring CSO-public partnership in undertaking local development projects as an alternative to the private-public partnership (PPP) which usually excludes CSOs and people's organizations in the development process" (p.1).

Dr. Quinones' conclusions is borne out by the experience of the Bohol Focused Community Assistance Scheme (FOCAS) of the Philippine-Australia Community Assistance Program (PACAP) presented by Lody Padilla Espenido in her article on innovations in community social enterprise development. She emphasized the centrality of community development and organizing processes in building sustainable social enterprises through a multi-stakeholder approach involving local government units, national government agencies, academe, and the private sector.

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Interventions are not diffused but are area-based and strategically linked through integration in local development plans, thus maximizing synergy and impact. Espenido's article focused on eco-cultural tourism enterprises such as the Loboc Music Heritage Project which supports a Youth Ambassador Band composed of young girls and boys, the Tubigon Loomweavers Cooperative which expanded its market through upgraded product designs, and the Sipatan Eco-tour project which now includes a community-run hanging bridge, souvenir shop, and butterfly garden. All these innovative enterprises had significant impact at the household level through increased income, livelihood, capital, and consumption, and at the community level through increased community awareness and commitment, recycling of waste materials, cleanliness and regeneration of the environment. These enterprises also proved to be resilient, having withstood and recovered from the impact of the devastating earthquake which hit Bohol in late 2013.

## **Integrating a Gender Perspective**

One of the FOCAS objectives cited in Espenido's article was to “develop gender-responsive community-based sustainable livelihoods and enterprises” (p.40). Dr. Nathalie A. Verceles shows how this can be done in her article on “Livelihood Practices of Women in the Informal Economy: Forging Pathways Towards a Feminist Solidarity Economy,” actually a distillation of her dissertation which was adjudged the best by the Doctor of Social Development Program for 2014. This dissertation is groundbreaking work that shows how feminist and solidarity economics can be merged fruitfully and imaginatively as a framework that can shed light and provide new meaning to what grassroots women are doing on the ground to transform their lives and their communities, and in due time society as a whole. More than this, her work was done in the best tradition of feminist research – with passion and compassion, with focus and rigor, with an eye towards foregrounding the lived experiences of grassroots women, capturing their voices, and providing them the visibility so necessary to have them admitted into the portals of academic discourse.

Women in the informal economy, many of whom are classified as among the working poor, comprise the majority of all employed Filipino women. Usually exploited, marginalized, and bereft of legal and social protection in a globalized economy, they include homebased workers, vendors, small farmers, and indigenous women producing traditional craft. Dr. Verceles conducted three case studies: the first on the Cooperative of Women in Health and Development (COWHED) in Lake Sebu, South Cotabato, which featured T-boli women engaged in the production and marketing of *tinalak* and other indigenous products; the second on the Pambansang Kalipunan ng mga Manggagawang Impormal sa Pilipinas (PATAMABA) in Sta. Barbara, Iloilo, which highlighted the experiences of organized rural women homebased workers engaged in agriculture and waste recycling; and the third on KILUS Foundation Environmental Multi-purpose Cooperative (KILUS) in Pasig, Metro Manila, which showed how displaced factory workers and other urban informal workers can be organized to produce export-quality recycled products from juice bags.

Through Dr. Verceles' work, we can hear women from these various organizations speak about their multiple burdens, and how their participation in solidarity initiatives help them ease and transcend these burdens towards the enjoyment of both concrete and intangible forms of empowerment. She concludes that the livelihood practices of the women in her three case studies provide the seeds for the creation of an explicitly feminist solidarity economy. These seeds can come into fruition however only with...

“the promotion of shared power and decision-making between women and men, greater access to and control over economic and social resources by women, and support for women's participation and empowerment across the institutions of the state, the market, the community, and the household.” (p.78)

## **SSE Organizations and Corporate Social Responsibility (CSR)**

Cooperatives, such as those cited in the contributions of Verceles and Espenido, are considered to be the most well known type of SSE organization since they are formally registered and data about them are readily available. According to Quinones, however,

In more recent years, many new forms of mutual cooperation outside the cooperative movement sprang to life as neoliberal globalization brought about widespread marginalization of workers and small producers. They include activities of neighborhood and community associations, savings and credit associations, collective kitchens, unemployed or landless worker mutual-aid organizations, joint purchase associations, self-managed enterprises, and many similar solidarity-based initiatives. (Quiñones, in RIPPSS Compilation, 2013)

Out of the many categories of SSE organizations in the Philippines, Quinones identifies two major types: 1) People working together to advance their own well-being; e.g., savings, credit, producer cooperatives; organizations of informal workers; and 2) People working together to help the poor (microfinance institutions, NGOs, charitable organizations) but in most cases, the poor become dependent on helping organizations for effective use of market mechanisms for social objectives. The main thrust of the latter consists of poverty alleviation, access of the poor to resources, “inclusion in neoliberal market economy, not an alternative economy for, by, and of the poor, socially excluded and marginalized” (Quiñones, in RIPPSS Compilation, 2013, slides 10 and 17). What could be worse, some undertakings which call themselves ‘social enterprises’ are run by entrepreneurs who are out to serve their own self-interest while taking advantage of opportunities meant to engage and benefit the poor.

The role of the private sector in SSE is arguably a controversial and contradictory one, as revealed in Anna Kristinna Palomo's article entitled "CSR and Social Solidarity Economy: Exploring Shared Responsibilities." She presents a history of corporate social responsibility (CSR) which shows how it has been used by corporations mainly to improve their public image, enhance their legitimacy and social acceptability, and thereby ensure and increase their profits over the long run. However, due to pressures from trade unions and other social movements, CSR has taken new and interesting turns, shifting to the creation of shared values (CSV) and integration of a human rights based approach (HRBA) in internal and as well as external corporate operations. This shift is accompanied by calls for corporate social accountability, given strong evidence that on balance corporations tend to do much more harm than good to people as well as to the environment, and should therefore be held liable for this harm.

Yet, nothing is impossible in this contradictory world where improbable partnerships are made and are sometimes considered necessary, and not merely expedient. For example, big food chains can provide regular and stable markets for organized onion farmers, as cited in Palomo's article. Private firms and social businesses can play positive roles in community-based supply chains nurtured through multi-stakeholder approaches affirming the notion of shared responsibilities. The new is born from the womb of the old; nascent SSE initiatives can be nurtured by resources embedded in the business models of the past that have to eventually make way for the future. What is perhaps important in the concept of shared or common (but differentiated) responsibilities is the triple bottom line of SSE: people, planet, and then profit. The centrality of social and environmental goals cannot be compromised even in arrangements where conflicting interests are at work and play themselves out towards short-term transactional outcomes or long-term transformational ends.

### **The Challenge of Continuing Social Exclusion and Disempowerment**

Although not strictly on SSE, Dr. Editha Maslang's article on the sacadas shows the gravity of deeply entrenched social problems that any alternative model of development needs to grapple with. It implies the lack of social responsibility on the part of the millers and planters in the sugar industry, who continue to corner the lions' share of the income from sugarcane proceeds at the expense of the migratory, unorganized, and unprotected sacadas who receive a mere pittance. Dr. Maslang's article is deeply disturbing since it shows through the stories of the sacadas themselves how pitiful and disempowering their working and living conditions are to this day. The plight of the sacadas has been told and retold since the 1980s, when a full blown crisis in the sugar industry drove its workers to penury, unemployment, and near starvation. That desperate situation gave birth to an enduring SSE model called Altertrade, which organized sugar farmers in land reform areas into cooperatives to produce organic muscovado for export. Dr. Maslang does not mention Altertrade or any other SSE example as an alternative in the research site which she focused on. Such initiatives may be successful in some sugar areas, but as Dr. Maslang's article implies, many of the most exploited sugar workers, notably the sacadas, remain untouched by them.

This shows how much more needs to be done to include the excluded and empower the disempowered, with beginning steps suggested in her recommendations, among them organizing, critical awareness raising, and accessing livelihood opportunities as well as social protection. SSE development for the sacadas can be integrated into these steps in the empowerment process. Dr. Maslang's schema on empowerment mentions two complementary aspects: 1) ability to access social and economic resources; and 2) ability to create conditions for self- and community-transformation. These are in turn dependent on the resource arrangements and work relations in the hacienda system as well as the institutional support system consisting of enabling policies and programs. The emphasis on empowerment and transformation echoes some of the principles and pillars of SSE.

### **Other Challenges for the Development and Sustainability of SSEs**

The self-organized activities (SOAs) during the 5<sup>th</sup> RIPESS international meeting identified many other key challenges (phrased in the form of “strategies”) for the development and sustainability of SSEs.

Of particular relevance to academe is building a knowledge base through research, mapping, valuation, and analysis. Related to this is the integration of SSE in the curriculum (thereby targeting the youth in their formative years), professionalization of SSE practitioners, and building technical competence especially in the monitoring and evaluation of SSE organizations. An essential and inspiring element in this endeavor, especially from the perspective of social development, is the challenge of developing, replicating and documenting models and successful cases, highlighting the primacy of organizing and participatory processes. Of particular urgency in the era of climate change is the need to develop effective SSE responses to crises and disasters, as well as the resultant hunger and food insecurity. The reality of intermittent super- typhoons and mega floods provides the backdrop for the necessity of integrating SSE-based shelter and sustainable livelihood in relief, recovery, and rehabilitation efforts.

At the level of practice, the awesome challenge is the “promotion of social enterprises, cooperatives, local exchange systems, fair trade, solidarity finance, inclusive value chains, the open source movement, participatory budgeting, social investment funds, worker-controlled pension funds and credit unions” (Luna, in RIPESS Compilation, 2013, Slide no. 5). Amidst this wide array of SSE actors, consensus building has to take place in order to build unity amidst diversity, facilitate networking, capacity building and upscaling of all key players. Upscaling can be facilitated if investors come in to provide critical levels of capital and markets. Upscaling, however, should not lead to the neglect of grassroots and women’s empowerment, especially with the rise of big SSE players such as huge microfinance institutions (MFIs).

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Many of these MFIs concentrate on lending activities and charge high interest rates without providing “transformational services” that can lift their clients, mostly grassroots women, out of poverty.

Building a critical mass of SSE players can strengthen recognition and legitimacy. The next step is advocating for an enabling policy environment from local to global levels.

### **Role of the State and Policy Advocacy**

Although SSE organizations need to be independent and autonomous of the state, they are entitled to and can gain from an enabling policy environment and to state support at both national and local levels. This point was brought home by Dr. Quinones and by Prof. Espenido in their articles.

It may be recalled that Article XII Section 1 of the 1987 Constitution of the Philippines provides that “all sectors of the economy and all regions of the country shall be given optimum opportunity to develop. Private enterprises, including corporations, cooperatives, and similar collective organizations, shall be encouraged to broaden the base of their ownership.”

Several laws and policies have been passed that impinge on SSE development and performance, among them the Social Reform and Poverty Alleviation Act (Republic Act 8425 of 1997); An Act to Strengthen the Promotion and Development of, and Assistance to Small-and Medium-Scale Enterprises, Amending for that Purpose Republic Act No. 1 6977, otherwise known as the “Magna Carta for Small Enterprises” and for Other Purposes (Republic Act 8289 of 1997); and the Philippine Cooperative Code of 2008 (Republic Act 9520).

These, however, are considered inadequate by civil society advocates who have been pushing for two bills: 1) the Poverty Reduction through Social Entrepreneurship (PRESENT) Bill, “ordaining the promotion of social enterprises to alleviate poverty, establishing for the purpose the Poverty Reduction through Social Entrepreneurship (PRESENT) Program and Providing Incentives and Benefits Therefor”; and 2) the Magna Carta for Workers in the Informal Economy (MACWIE) Bill.

The PRESENT Bill (Aquino, 2014, p.2) defines social enterprise (SE) as:

a wealth-creating organization, however organized, whether an association, single proprietorship, partnership, corporation, or a cooperative or any other legal form, whose primary stakeholders are marginalized sectors of society, engaged in providing goods and services that are directly related to its mission of improving societal well-being. It is established to achieve triple bottom lines such as financial, social, and ecological. It generates profit or surplus with due regard to social and environmental costs, and makes a pro-active contribution to solving social and environmental problems.

The proposed act further explains what is meant by Social Enterprises with the Poor as Primary Stakeholders (SEPPS), estimated to number around 30,000 plus in 2007 (Dacanay, 2013), and which the PRESENT Bill will specifically cover. A SEPPS pursues poverty reduction as principal objective, “engages and invests in the poor to become effective workers, suppliers, clients and /or owners, and/or ensures that a substantive part of the wealth created by the enterprise is distributed to, or benefits them” (Aquino, 2014, p.2). The surplus is used to assist the poor to “become partners in SE or value chain management/governance and to become partners in community, sectoral and societal transformation” (Aquino, 2014, p. 2).

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MACWIE, on the other hand, is more familiar to CSWCD constituents since it is part of the extension and advocacy agenda of the College. Already being pushed by informal workers' organizations and networks such as PATAMABA, Homenet, and MAGCAISA since the 13<sup>th</sup> Congress, it has been the subject of Committee hearings in both Houses of Congress, for which purpose the CSWCD drafted a strong statement of support. The statement says in part:

There is a most compelling need for a Magna Carta for Workers in the Informal Economy. We recognize that workers of the informal economy, waged and non-waged, comprise majority of our workers, and that they are marginalized and operate under dire circumstances of insecure work, low and irregular income, lack of access to and control over productive resources, poor and/or exploitative working conditions, and limited or no social protection. (UP CSWCD Constituents, 2014).

The version of Senator Miriam Defensor Santiago (Senate Bill No. 1153), in particular, contains substantial provisions that incorporate the needs and interests articulated by informal workers' organizations - recognition by the state and representation, accreditation, enjoyment of rights and benefits due to them as workers, adherence to minimum employment standards, access to resources and services, the prioritization of the basic sectors, social protection, the promotion of occupational safety and health, security in the workplace, the protection of agricultural lands, the establishment national and local machineries, budget allocations, among others.

There is no certainty that these two bills will be passed soon. What is important, however, is that they serve as focal points for diverse but like-minded forces to converge and use their collective energies to raise awareness and mobilize public opinion in favor of supporting the human rights and social enterprises of the working poor, both women and men. These forces can simultaneously be relied upon to advocate for good governance based on SSE principles: servant leadership, transparency, accountability, subsidiarity and participation (Habito, 2013). CSWCD's development praxis, being anchored on people's participation and empowerment, personal and social transformation, solidarity with marginalized groups, and gender-responsiveness, can be widened and deepened in association with these forces. Publication of this journal on SSE is one step in this long and exciting journey.

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