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Strengthening Social Enterprises for Inclusive Growth: Philippines

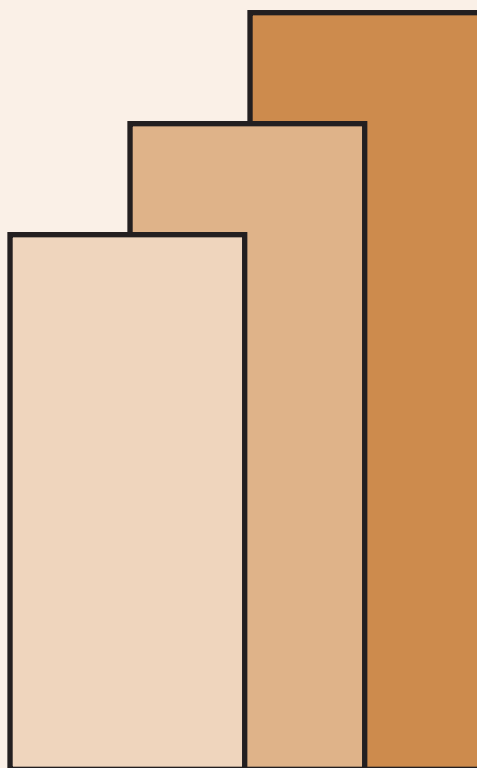
Marife M. Ballesteros and Gilberto M. Llanto

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For comments, suggestions or further inquiries please contact:

The Research Information Staff, Philippine Institute for Development Studies

18th Floor, Three Cyberpod Centris – North Tower, EDSA corner Quezon Avenue, 1100 Quezon City, Philippines

Tel Nos: (63-2) 3721291 and 3721292; E-mail: publications@mail.pids.gov.ph

Or visit our website at <http://www.pids.gov.ph>

Abstract

Social enterprises have been emerging globally as alternative organizations to achieve inclusive and sustainable growth. Success stories of social enterprises have shown that multiple bottom lines can be achieved; that firms can be vehicles for profit and other moral imperatives. In the Philippines, a resurgence of social enterprises has also been observed. However, the current policy environment in the country is yet unresponsive to the growth of social enterprises. There is a need to understand better the context of social enterprise operations through more rigorous research.

Key words: social enterprises, community economies, inclusive growth, social and solidarity economy

Strengthening Social Enterprises for Inclusive Growth: Philippines

MM Ballesteros and GM Llanto¹

I. Introduction

Social enterprises are now promoted globally as major agents for inclusive growth and sustainable development. Unlike traditional enterprises, social enterprises engage in for-profit activities with more active and deliberate action towards raising the quality of life of the vulnerable and marginalized communities. In many of the countries/regions, social enterprises have different forms but the common feature among these enterprises is the focus on the community and the use of market-based approaches to address social issues (Kerlin 2010).

Social enterprises are not a recent phenomenon. These enterprises have gained prominence in the Western economies in the 1970s during the period of economic recession.² It was then considered a strategy to support the cuts in government social spending and welfare programs due to prolonged economic downturns. In Asia, the term is relatively unfamiliar but in practice social enterprise in the form of cooperatives have played important role in rural and urban communities (Community Economies Collective 2009).

The contemporary interest on social enterprises arise from the emerging concept of the community economy as another way for economies to be enacted. The capitalist economy which promotes firm growth and social protection as the key elements for economic development has been found inadequate to address poverty alleviation and sustainable development (UNRISD 2013). Market failures and governance failures have constrained equitable distribution of growth, empowerment and the protection of the environment. Social enterprises, which operate on a double or triple bottom line prioritizing investing in the community over economic returns, illustrate the core values of the community economy. These enterprises consider the community the “soul” of the enterprise (Newbury 2015:8). They draw on the collective effort of many people and partnerships and have a greater capacity to produce income/profits for those involved; to improve social well-being; to impact on other communities; and to produce long term economic benefits (Graham and Cornwell 2013).

The community economies approach is being promoted by the United Nations as the agenda of social and solidarity economy (SSE) (UN TFSSE 2014). The SSE is a term increasingly used in the development circle to capture the different organizations of social enterprises that adopt the community economies model. SSE has provided stories of successful social enterprises in different regions of the globe. These stories have shown that multiple bottom lines can be achieved; that enterprises can be vehicles for profit, people empowerment, peace, and other moral imperatives.

¹ The authors are grateful to Ms. Tatum Ramos for research assistance.

² Social enterprises have existed for many centuries prior to the 1970s but were then not recognized as a different industry or sector (Poon 2011).

In particular, the Philippines will benefit from the development of social enterprises. The country has been one of the better performing countries in the region. In 2010-2015, the country reached an average of 6.2 percent GDP growth. This growth performance is expected to get even better as reflected in the 2016 growth performance; GDP grew by 6.9 percent in the first semester of 2016, higher than the 5.5 percent growth for the same semester in 2015. The country, however, struggles with high levels of poverty. Poverty incidence of the population is at 26.3 percent, among the highest in middle-income Asia. There is also a widening gap among income classes and a marginalization of vulnerable population. Economic growth and the expanded spending on social protection have not translated to a significant decline in poverty as income inequality and social exclusion remained at high levels.

The objective of this paper is to examine the nature of social enterprises and the enabling environment for their growth in the Philippines. We focus the analysis on social enterprises as defined in the UN SSE agenda as enterprises that do business with social and solidarity objectives and are managed by private individuals or organizations.

The paper is organized as follows: Section II provides an overview of the significance of the social and solidary economy globally. Section III, presents a brief on the resurgence of social enterprises in the Philippines. Section IV discusses the operation of social enterprises based on the case study of Rags to Riches and other cases from existing literature. Section V reviews the Philippine government development policy approach on enterprise development and the implications on the development of social enterprises. The last section concludes and provides recommendations.

II. Global Significance of the Social and Solidarity Economy

Social and Solidarity Economy (SSE) is a term that is increasingly being used to refer to “organizations and enterprises engaged in the production of goods and services that are autonomous from the state and are guided by objectives and norms that prioritize social well-being, cooperation and solidarity” (Utting et al., 2014, p. 1). The recent focus on these organizations came about due to the issues that continue to challenge society, such as poverty, inequality, and environmental degradation. Current capitalist economy activities do not seem to properly address these issues. The SSE organizations, through their prioritization of cooperation, social well-being, and solidarity, could be a better way to respond to equality, empowerment and environment issues.

The diverse practice of economic development as enacted under the capitalist approach and social and solidarity economy can be summary as follows:

Table 1: The Practice of Economic Development: Principles that guides production

	Development Package	Ethical Dynamics
Capitalist Enterprise	New and expanded firms Industries in the export sector Employment growth Per capita income Social well-being (assumed)	Mechanization Commodization Proletarianization Capital formation
Social Enterprise	Self-provisioning Gifting Volunteer labor State allocations/appropriations Locally oriented agriculture or livelihood Housing	Leadership Self worth Family Commons Transformation

Source: Summarized from Graham and Cornwell (2013)

As reflected in the 2014 position paper of the United Nations Inter-Agency Task Force on Social and Solidarity Economy (TFSSE), the SSE has roles particularly in the following areas: (1) the transition from informal economy to decent work, (2) greening of economy and society, (3) local economic development, (4) sustainable cities, (5) women's well-being and empowerment, (6) food security and smallholder empowerment, (7) universal health coverage, and (8) transformative finance. The TFSSE (2014) enumerated the roles that the SSE has in those particular areas.³ First, the SSE complements efforts in addressing the increase in unfavorable employment conditions connected to the informal economy. The SSE may actually help link more people to decent work. For instance, it may facilitate access to assets and services, and improve the producers' capacity to negotiate better prices and income. Second, the SSE organizations have a number of advantages over the conventional businesses in terms of greening the economy and society. SSE organizations are likely to have lower carbon footprints given their environmental objectives and the nature of their systems of production and exchange. Third, the SSE may expand the structure of local economy and labor market, build trust and social cohesion, and play a key role in participatory local governance. Fourth, SSE organizations have local knowledge and an internal democratic structure, which could help attain integrated forms of socially and politically sustainable urban development. Fifth, the SSE has become a venue for the employment of women, especially those who feel discriminated in the labor market and have a difficult time balancing their work and family. Sixth, SSE organizations which engage in agriculture may address market failures, as well as state failures. Seventh, SSE organizations help in increasing the access to improved healthcare. Lastly, SSE promotes responsible

³ The succeeding sentences within this paragraph provide a condensed version of the discussions made by the TFSSE in its 2014 position paper entitled "Social and Solidarity Economy and the Challenge of Sustainable Development."

financing/ investment by increasing the investor's accountability for social, cultural, and environmental impacts. The financial cooperatives, particularly the large ones, have become critical sources of funding in several regions of the world and have proven their resilience in times of financial crisis (TFSSE, 2014).

Taking on at least one of the roles mentioned are the following types of SSE organizations: (1) cooperatives, (2) mutual benefit societies, (3) associations, and (4) social enterprises.⁴ Cooperatives are organizations that are jointly owned and managed by people who have similar needs and desires (e.g. credit, agricultural, and health cooperatives). Cooperatives' members share in the capital of the organization. Mutual benefit societies provide social services through the sharing of resources and risks (e.g. insurance groups). Associations are groups of people with the same objectives. Their members usually do not have a share in the capital. Social enterprises are organizations that do business with a social purpose.

There are a number of challenges to the SSE organizations' quest to fulfill their roles. One of the challenges is that many of the SSE organizations are set up by groups of people who are economically at a disadvantage. In other words, these organizations are likely to have limited access to resources and networks. Moreover, the organizations have to withstand the pressure towards becoming traditional for-profit enterprises. The SSE organizations have many established competitors in the market, and they have to figure out how to carry out their social purpose with their need for sustainability. Additionally, there are unfavorable changes in market demand at times, which SSE organizations with little funding may see as a threat to their sustainability. Furthermore, it must be noted that SSE organizations are expected to provide social protection and help mitigate the effects of economic downturns and shocks; this is obviously a great responsibility given to organizations which are relatively new to the market.

So far, there is yet no global data on the sectoral contribution of SSE to the economy. SSE data are taken mainly from case studies of SSE in various parts of the world. Utting et al (2014) provided a summary of the achievements and outcomes of the efforts of SSE organizations in Europe, North America, South America, Asia, etc. (Box 1). Based on global experience, a number of SSE organizations are overcoming the challenges that they encounter as organizations with a social purpose. There is also a growing interest to finance SSE companies. An increasing number of investors are turning to "impact investing", an investment option that targets investments in companies that have developed scalable solutions for improving the quality of life of disadvantaged people. The global efforts on "impact investing" portfolios are spearheaded by UK Impact Ventures and LGT (Liechtenstein).⁵

⁴ The classification of SSE organizations is based on the paper of Fonteneau et al. (2011). In some discussions foundations, i.e., public benefit, charitable, and private foundations are included in the SSE organizations but their classification as SSE organizations is still being debated.

⁵ Impact Ventures UK was started in 2014. It partners with LGT, a private banking and asset management group of the Princely House of Liechtenstein. Aside from the partnership with UK, LGT has its own broad impact investing portfolio currently consisting of 16 for profit organizations (www.lgt.com/en/commitment/impact-investing accessed 01/02/2017).

Box 1. Worldwide SSE Achievements

- Worldwide, cooperatives provide jobs for 100 million people.^a Preliminary results from the Global Census on Cooperatives of the United Nations Department of Economic and Social Affairs (UN DESA) indicates that globally there are 761,221 cooperatives and mutual associations with 813.5 million members, 6.9 million employees, USD 18.8 trillion in assets and USD 2.4 trillion in annual gross revenue.^b
- Mutual benefit societies provide health and social protection services to 170 million people worldwide.^c
- The global certified fair trade market amounted to EUR 4.8 billion (USD 6.4 billion) in 2012 (excluding Fair Trade USA sales) and involved some 1.3 million workers and farmers in 70 countries.^d
- In Europe, approximately two million SSE organizations represent about 10 per cent of all companies and employ over 11 million people (the equivalent of 6 per cent of the working population of the European Union).^e
- In France, the SSE sector comprises approximately 222,800 organizations and enterprises, employs 2.33 million people and includes 13.8 per cent of non-public sector jobs.^f
- In 2011, approximately 130 million people in the United States participated in the ownership of co-op businesses and credit unions. More than 13 million have become worker-owners of more than 11,000 employee-owned companies.^g
- In India, the country's largest food marketing corporation, the Amul cooperative organization, has 3.1 million producer members and an annual turnover of USD 2.5 billion.^h Over 30 million people, mainly women, are organized in over 2.2 million self-help groups.ⁱ The Self-Employed Women's Association (SEWA), which supports the empowerment of women in the informal economy, had 1.4 million dues-paying members in 2012, organized to promote income, food and social security.^j
- In Nepal, 8.5 million forest users are represented in the country's largest civil society organization.^k
- In Brazil, there are more than 20,000 enterprises operating within the SSE, which comprises almost 1.7 million people.^l
- In Ecuador, popular and solidarity economy generates about 60 per cent of employment nationwide; it represents 13 per cent of the gross domestic product and accounts for 5 per cent of public purchases.^m
- In Colombia, it is estimated that over 10,000 SSE organizations provide more than 670,000 jobs.ⁿ
- In Tanzania, women's membership in the financial cooperative sector has more than quadrupled since 2005 which brings women's share to 43 per cent.

Sources. *Box taken from Utting et al. (2014); changed title from “Some SSE numbers” to “Some SSE Achievements”

III. Overview of the Resurgence of Social Enterprises in the Philippines

The active involvement of non-government organizations (NGOs) in Philippine development has been instrumental in the rise and resurgence of social enterprises in the country. NGOs have long been recognized as the government’s development partner specifically in bringing social services and programs to disadvantaged or marginalized communities. This partnership has been institutionalized under the 1987 Philippine Constitution through the civil society’s representations in different government councils and programs at the national and local levels.

NGO organizations are primarily known as non-profit organizations that are guided by philanthropic principles. They are dependent on grants and donations drawn from international development agencies and/or corporations or companies that allocate a portion of their profits to social missions. Overtime the NGOs had to diversify their sources of income as these traditional sources of funds have become scarce. Some NGOs engage in income generating activities such as training and facilitation, management and organizational services or setting up of for profit companies (Dacanay 2004). It can be told that the concern of NGOs for sustainability matched by their development focus have yielded new development initiatives that included social enterprises among others (Dacanay 2004).⁶ This change among NGOs is happening not only in the Philippines but in other countries as well (e.g. Indonesia, India, Bangladesh, etc.).

The success of some social enterprises in raising profits and in empowering and transforming communities has popularize the use of “social enterprises” in the country. It has also captured the interest of non-NGOs primarily small scale investors that sought to help disadvantage communities or groups to have sustainable livelihoods.

However, the definition of “social enterprises” has yet to be harmonize in the country. The Philippine Social Enterprise Network or PhilSEN, a coalition of social enterprises established in 1998, adopts a broad definition of the term.⁷ Social enterprise is defined as “a *social mission driven organization that conducts economic activities providing goods and services directly related to their primary mission of improving the well-being of the poor, basic and marginalized sectors and their living environment*” (PRESENT Bill

⁶ Dacanay (2004), CEC and Gibson, K(2008) and ISEAS (2014) provide a discussion on the several initiatives undertaken by NGOs for social entrepreneurship.

⁷ PhilSEN was created to enhance the capacities of social entrepreneurs/social organizations and to support the activities of members for the development of the sector.

Philippine Senate version). This definition embraces the broader sector of SSE plus traditional nonprofit organizations and nonprofit companies doing income generating activities to subsidized charitable activities.

Adopting this broad definition of social enterprise can lead to confusion since social enterprises are made distinct from philanthropy by the need to generate profit for self-sufficiency and sustainability. It is also distinguished from corporate social responsibility (or CSR) in terms of motivation and form. CSR arises from business leaders driven by their personal values and vision to fund or set up companies with a social mission. CSRs could also be a response to certain government rules or incentives such as income tax exemptions for donations of corporations to social improvement of disadvantage groups, or a regulatory requirement to corporations that are deemed to undertake activities harmful to society (e.g. mining). A Corporations' CSR or the social or philanthropic activities supported through CSR are separate and usually distinct from their core business activities.

There are proposals to limit the concept of social enterprises to those enterprises where the primary stakeholders are the poor. Social enterprises with the poor as the primary stakeholders or SEPPS is defined as a *“social mission driven wealth creating organizations that have at least a double bottom line, explicitly have as principal objective poverty reduction or improving the quality of life of specific segments of the poor, and have a distributive enterprise philosophy”* (Dacanay, 2013, p. 51). This definition is narrower in terms of its focus on the poor as the primary stakeholder. It also restricts social enterprises to companies with a distributive philosophy defined as a strategy whereby the primary stakeholders (i.e., the poor) have majority ownership and substantive control in decision making which is evident either at the inception of business or through a devolution process (Dacanay 2004 p16). SEPPS' focus on enterprises with distributive philosophy although noteworthy may leave out enterprises created for a social mission but are managed by private corporations.

So far, there is no comprehensive data to assess the size of social enterprises in the country. A rapid survey conducted by the Institute for Social Entrepreneurship in Asia (ISEA) in 2013 reported about 30,000 organizations that can be broadly classified as social enterprises (ISEA and Oxfam 2015). Of these enterprises, it was estimated that only about 15,000 enterprises could be considered SEPPS. The SEPPS can be classified based on organization and form as follows:

- Social Cooperatives. These are cooperatives with the poor or marginalized sectors as members and majority owners. These include poor farmers, agrarian reform beneficiaries, fishers, vendors, entrepreneurial poor, persons with disabilities, and women of these sectors. There are currently 23,672 cooperatives registered in the country but not all are organizations of the poor or are serving the poor. It is estimated that roughly 11,000 or about 50% of total cooperatives are social cooperatives with membership of 4.56 million.

- Fair Trade Organizations (FTOs). FTOs are groups or companies that act as retailers; they establish strategic partnerships with supplier communities providing fair prices for their produce, pre-financing for production, training and capacity building and connecting producers to domestic and foreign markets (ICLEI Southeast Asia 2006).⁸ The advocacy and the application of FTO principles in the country started

⁸ Fair trade as defined by International Fair Trade Association is “a business concept developed for disadvantaged producers and workers to encourage sustainable, social, economic and environmental development of producers

relatively late around mid-1990s and was pioneered by agencies such as Community Crafts Association, Preda and Oxfam and later other alternative trade organizations (or ATOs) also evolved (e.g. Altertrade or AFTI).⁹ Currently, FTOs in the Philippines comprise of small groups linked to solidarity organizations and of big companies and multinational organizations. There is no data as to the number of firms directly engage in fair trade. The main fair trade organization, the Philippine Fair Trade Forum (PFTF), which is an umbrella organization of FTOs, lists only 32 FTOs in the country as of 2012 and only a few is certified by the IFTA (International Fair Trade Association).¹⁰

- Microfinance institutions. Microfinance institutions are organizations that offer financial services to low income populations. The microfinance scheme is considered a revolutionary strategy that has addressed the persistent problem of lack of access to banking services of the poor and low income sector. With the success of microfinance in the country, banks and other entrepreneurs have established microfinance businesses. Based on the latest study by the ADB, there were about 2,000 NGO MFIs (including branches) and 200 banks with microfinance operations. Among the providers of microfinance services, institutions that are considered SEPPs are those whose clients are largely the poor and are providing clients with membership to the organization, access to diversified services to include various forms of social protection, education and training, business development and value chain development (ISEA and Oxfam 2015). It is assumed that it is the NGO MFIs that can be counted as SEPPs.

- Trading and Development Companies (TRADOs).¹¹ This classification can be referred to as social enterprises as defined in the SSE. It encompasses a large segment of businesses that are engaged in the production of goods/ provision of economic services/trading/marketing of goods to assist the poor or disadvantaged groups in moving out of poverty. These businesses may be established by (a) non-government development organizations (NGDOs) that set up commercial or trading arms of their parent NGDOs and usually take the form of stock for profit corporations; or (b) “new-generation” social entrepreneurs usually young professionals or entrepreneurs that set up small enterprises that typically take the form of non-stock corporations. It is estimated that there are about 2,500 NGDOs initiated enterprises (ISEA 2015). On the other hand, there is no clear estimate of the size new generation social enterprises but it is said to be growing in number.

In the same rapid survey, the SEPPs were further categorized into levels of development (ISEA 2015). The survey noted that some SEPPs are still in the formation stage because they are either newly formed or have not yet taken off from pre-commercial level of operations. Other SEPPs have regular enterprise operations but are still in the process of expanding their markets while others can be considered

and their organizations.” The principles include: transparency, accountability, capacity building, payment of fair price, safe and healthy working environment, gender equality, better environmental practices. (<http://www.fairtrade.net/standards/aims-of-fairtrade-standards.html>; 07/15/2016)

⁹ Preda stands for People Recovery, Empowerment and Development Assistance Foundation. Oxfam International is association of independent NGOs that partners with local communities for development programs.

¹⁰ These are: Oxfam, Advocate of Philippine Fair trade (APFTI), Preda, Community Crafts Association of the Philippines, Social Action Foundation for Urban-Rural Development, Inc. (SAFRUDI), *Alter Trade Foundation Incorporated* (ATFI).

¹¹ The ISEA report 2015 distinguished trading and development business set up by NGOs from those initiated by “new generation social entrepreneurs”. The authors considered these two classification as one business type regardless of the initiator.

established or developed SEPPs. Developed SEPPs are financially stable with diversified portfolio of product or services and have expanded access to local and/or global markets.

While there are successful SEPPs, there are also many failures. Of the 15,000-estimated SEPPs, only a handful can be considered to be in the sustainable path. For instance, the success rate of social cooperatives is estimated at less than 10% (PHILSEN 2016).¹² In 2009, PHILSEN developed a social enterprise quality index (SEQI) to provide a common performance standard that will assess the status of SSEs in terms of the triple bottom line. In particular, benchmark indicators were set for each of the following objectives:¹³

- Doing well - business performance and enterprise management;
- Doing good - social performance/social responsibility; and
- Doing right - practices relating to the environment, gender and culture

The “Doing well” objective implies that the enterprise should have sustained earnings and financial independence; the “Doing good and doing right” objectives measure the social impact in terms of improved quality of life, increased prosperity, development of community, increased capacity for self-governance of the community or of the major stakeholders. Eventually, households in the community are able to move out of poverty quicker and in a sustained manner.

The SEQI is a useful tool to evaluate the performance of social enterprises. However, currently the Index is self-administered and voluntary and intended only as a planning tool. It could be developed for M&E in the future.

IV. The Nature of Social Enterprises: A Case Study of Rags to Riches

To assess the enabling environment for the growth of social enterprises, it is best to examine their operations in the light of the traditional enterprises or MSMEs. The analysis focus on social enterprises classified as TRADOS, which represent the enterprises closest to the UN definition of social enterprise under the SSE agenda. TRADOS are companies that directly engage disadvantaged groups in the core business of the enterprise. For consistency with SSE, TRADOS will be referred to from this section onwards as social enterprises.

There is no comprehensive listing of these firms in the Philippines but several firms that labeled themselves as a social enterprise have created a crowdsourced social directory called ChooseSocial.PH.¹⁴ Based on the crowdsourced listing, most social enterprises in the country are engage in retail and commerce; some are into food and beverage services while a few are involve in tourism and hospitality

¹² Based on interview with Mr. Gomer Padong, Program Coordinator, PHILSEN, July 05, 2016.

¹³ PHILSEN (2009) SEQI. The indicators were developed based on the experiences of PhilSEN members and on the network's Code of Ethics and strategic plans.

¹⁴ ChooseSocial.PH aims to be the most comprehensive and up-to-date resource about social enterprises in Philippines.

(Annex A).¹⁵ These organizations have well-defined social objectives which include any two of the following: poverty alleviation (or eradication), employment, culture preservation, and environment. The target community is defined primarily by sectoral groupings (e.g. women, youth, disaster affected groups, low-income families); a few by location (e.g. rural communities).

Studies of social enterprises in the country noted that these enterprises were established from the desire of community leaders or volunteers to address a social problem in a community (CEC,2008; Dacanay and Morato 2004; ISEAS 2015). Turning this problem into a business opportunity is the main challenge. It requires a strategy that blends the principles of philanthropy and business to create social value that has impact and scalable. The case study of Rags to Riches is presented to understand how social enterprises operate to achieve a triple bottom line. (see Box 2).

Box 2. The Case of Rags to Riches

Rags2Riches

Rags to Riches is one of the success stories of social enterprises in the Philippines. It is a fashion and design house that used upcycled scrap cloth, organic materials and indigenous fabrics woven by artisans living in poor communities across the Philippines. It was registered in 2007 as a small private corporation with the shareholders composed mainly of young professionals. In a period of five years, the company has registered 100% annual growth in revenues and has grown into a medium-sized company. The company is expanding its global reach through partnerships with international investors. It has recently included in its investor base the LGT (Liechtenstein) Venture Philanthropy Foundation, a recognized global investor in social enterprises that are showing impact and commitment to sustainable development.

Rags to Riches was built from the efforts of a group of young professionals to help women in poverty-stricken families in Payatas (Tondo, Manila). They were introduced to the community by a priest who partners with NGOs in the area. Rug weaving was a common source of income for the stay-at-home mothers in the community. These women would weave scraps of cloth, which they found in the dumpsite, into foot rugs they sold in the streets and markets. At times, they would buy scraps of cloth from middle men who have direct access to factories at a high price. Since the women have no direct access to markets, they would sell their rugs to the middlemen who would pocket most of the profits. This unfair transaction between the middlemen and the Payatas mothers greatly undermined the profitability of the women's informal business.

The initial intervention of the young professionals was to link the Payatas mothers directly to the factories and to the market. The early stages involved collaborating with three Payatas mothers to improve the quality of the foot rugs. Using a startup capital of USD200, the mothers successfully made money in bazaars and were joined by more mothers.

¹⁵ The listing includes companies that provides consulting and professional services; energy and infrastructure services that targets the poor or marginalized households as clients. These were excluded as we narrow the discussion of social enterprise as those firms that partners with the community for business.

The decision to form a company arose from the need to earn more and help the families in a sustainable manner. It was then necessary to undertake product innovation and development for financial growth and to sustain the business and consequently the livelihood in the community. Thus, the idea to move the product to a higher value chain and expand the market was conceived. As a small company access to finance was an issue because commercial banks give less priority to startup companies. They had to go to microbanks and development banks for financing. It was also difficult to approach institutions for grants since it is a for profit company.

With the establishment of the company, a business partnership was formed with the organized group of Payatas women. The women supplied the rugs to the company and the company processed these rugs into creative products for higher value. Prices for the rugs are market driven but at a premium based on artisan (skill) and productivity (i.e. number of hours they are willing to work). Moreover, the company advances about 50% of payment for the job orders. The community is represented in the company by the group's appointed "nanay" (or leader), who sits in the Board. This partnership model is applied in all partner communities of Rags to Riches. To date the company has 10 partner communities in different areas of Metro Manila. The communities are selected based on the availability of potential artisans in the area. Expansion of partner communities is market driven that is linked to the demand for their products.

The company is involved in all phases of production and in product marketing. This end-to-end business approach starts from community production to centralized production then retail and online stores. The central production unit and retail outlets are handled by company staff. In the initial phase, the company was also involved in community organizing; the pioneer partner community was in fact organized into a cooperative. However, this approach was not replicated since the company does not have the expertise on cooperative management and community organizing. Instead, the current scheme is to partner with NGOs, local foundations, church-based groups that have already organized the communities. The company comes in as the livelihood arm; organizing and training potential artisan families into a production unit.

There were several challenges that the company had to overcome in partnering with communities: (1) overcoming trust issues when presenting the partnership proposal to artisans; (2) sticking to a system that lets the artisans (who are mostly housewives and housekeepers) work at home while maintaining the quality of the products, a level of production, and meeting the deadlines; (3) coming to terms with the reality of helping the poor and learning to listen and not impose their ideas on the poor; (4) reducing fallouts due to failure to meet quality standards or due to artisans who regularly drop out of the program for various reasons.

The company takes risks in the partnership. They reject products that do not measure to the quality standards set by the company, which at times can offend the community. The company does not buy for charitable reasons because doing so will have adverse effects on the sustainability of the business. The company address the risks that comes with the partnership by building trust and social capital and improving values and productivity through the production process. Building these social values takes time. It took about three to five years from organizing production to capacity building and community development before the company has gained financial stability.

Rags2Riches is concerned of the impact of the business on the community. They do not regularly monitor community progress but has established a “quality of life program” for the partner households. The quality of life is a savings and micro-insurance program, a partnership program with the bank of CARD Inc., a top Philippine microfinance institution, to teach them how to save money, plan for their future, and deal with financial shocks. Part of their salaries go into their deposit accounts. Their partnership with CARD MRI Insurance Agency (CaMia) provides safety nets for the artisans, such as housing, hospitalization, and other welfare programs. The Artisan Academy holds skills training, quality of life and financial literacy workshops, family counseling, and values-formation and nutrition seminars

With regards to business competitiveness, Rags to Riches partners with other stakeholders to enable the company to navigate through and thrive in the business sphere not only in the local market but in international markets as well. In sum, the key factors that enable sustainability and scalability are:

- Design integration: creating stylish and functional home and fashion accessories out of scrap materials by coordinating with a team of talented renowned designers
- Skills training: equipping community artisans with the skill set needed to create the products; training for life skills, values formation, basic business management, and financial literacy
- Market access: opening up channels into retail and corporate market penetration

Sources: Interview with Rags to Riches company owner; 13 Dec 2016, Quezon City.

The case study of Rags to Riches illustrates that social enterprises are operated like any other business, it is concerned with financial growth and sustainability. It also starts small scale with assets in the range of the traditional micro and small enterprises. However, unlike traditional MSMEs, social enterprises evolve from the bottom-of-the-pyramid issues. In the case of Rags2Riches, the company was built from the desire to help poor families; improve their livelihood income and invest in their well-being through training, capacity building and value formation. The social advocacy is embedded in the core of business that directly benefits the community. The business also contributes to environmental sustainability by utilizing scrap cloth, organic and indigenous materials into value products. This community model also differentiates social enterprises from the CSR approach whereby the social mission is based on the corporate leaders’ personal preferences, which often have no relation at all to the core business.

Social enterprises are rather similar to the inclusive business approach where a big corporation consciously integrates a community in the supply chain. This approach is common among large manufacturing industries that uses agriculture-based raw materials for their products. The corporation engages into contract farming with the farming community, provides the technology and training to improve productivity and grow the required raw materials for the company.

Eventually, social enterprises that are able to scale up and grow into big corporations could be viewed as inclusive business models. However, unlike the mainstream big corporations the community grows with the company. A classic example in the Philippines is Human Nature, which started as a family social enterprise and in a period of 5 years has become the country’s biggest producer of all-natural personal care products, a globally competitive brand that has expanded to Singapore, Malaysia, the UAE, and the United States. It has provided livelihood to several communities in different parts of the country posting

US\$5Million in profits in 2013.¹⁶ The company invests in the communities using fair trade prices and supplies processing equipment to help them yield produce that can be sold at higher prices. For instance, all profits made by the company's "Bug Shield and Lotion" go into funding the Citronella Agro Development (CAD) Program, which helps farming communities put up a citronella processing facility.¹⁷

The traditional big corporations usually invest in building human capital to suit labor requirements; to address business risks and improve human productivity for higher economic returns. On the other hand, social enterprises as they scale up invest in the community; the community do not necessarily stay as raw material supplier but can move up into the value chain. Investing in the community also means not only creating/improving "wage employment" but reforming values in the community, constructing the community and enlarging the community to involve other people in the community and other communities as well.

Rags to Riches and other stories on social enterprises also show that the beginnings are not easy. Community partnership implies that social capital has to be built and nurtured through the process of production. Social capital is commonly understood as community networks or networks of relationships among people in a community that is based on links, shared values and understandings in society (OECD 2016). Building this relationship takes time; it is not simply a case of rejecting some community members or of hiring or firing people. It partners with NGOs and church-based organization for community organizing and capacity building. It also needs the support of impact investors or venture capitalists. Venture financing blends with social enterprises because returns are not expected in the short-term, thus it makes possible experimentation of business innovations.

Similar to traditional businesses, a conducive business environment is also necessary. Ease of doing business is important so is partnership with institutions for research and technology and product or service innovation; and with business networks for access to markets and access to formal finance.

Rags to Riches could have move the production unit into a factory model (where rug artisans are paid by piece work) but a community-based approach provides opportunities for broad based growth thus enables the company to attain its vision of helping communities transform themselves into self-sustaining and legitimate suppliers.

V. Policy Environment and Government Agenda for Social Enterprises

There is growing interest for the development of social enterprises in the country but there are observations that the current policy environment is unresponsive to the promotion and growth of social enterprises (Dacanay 2012). At present, the government categorized enterprises in terms of size of assets and employment. It differentiates micro, small and medium sized companies (MSMEs) from big businesses for specific policies and programs. Social enterprises as profit organizations are similarly

¹⁶ Founded by Anna Meloto-Wilk, Dylan Wilk and Camille Meloto in 2008, Human Nature is a social enterprise under Gandang Kalikasan, Inc. (GKI). The company envisioned a sustainable livelihood for poor farmers and their families by using locally-grown crops in the company's supply chain. Letargo, Mico. "Business practices have to change in PH, says Dylan Wilk of GK." *Asian Journal*, 27 June 2014. Web. 18 July 2016.

Source: <http://asianjournal.com/news/business-practices-have-to-change-in-ph-says-dylan-wilk-of-gk>

¹⁷ <http://www.asiaforgood.com/Human-Nature-Philippines> web 18July 2016.

classified. In particular, there are two major laws that promote and support the development of MSMEs – one, the Magna Carta for MSMEs which was enacted in 2008 and two, the Barangay Micro Business Enterprises (BMBEs) Act of 2002. Table 2 presents the key provisions of MSME and BMBEs. These laws provide for the development of the sector through policies and programs to improve MSMEs and BMBEs access to financing, markets, and technology. Moreover, tax incentives and the appropriate structures to implement these programs have been created.

In the case of social enterprises, advocates argue for a separate law that recognizes social enterprises as unique from traditional businesses. A proposed bill for social enterprises development, entitled “Poverty Reduction through Social Entrepreneurship” or PRESENT Act, is currently being sponsored by the Coalition of social enterprise practitioners, advocates, NGOs, and academe. The bill provides for similar programs and incentives enjoyed by MSMEs and BMBEs which include tax exemptions, special credit windows and guarantee funds, LGU support, etc. On top of these existing programs and incentives, the proposed bill extends tax exemption to social investors; a longer tax break period of 10 years instead of 3 years as in the case of BMBEs; and cash incentives to social enterprises that employ PWDs. Moreover, the proposed bill recommends comprehensive insurance for SEs for calamities and government resources for comprehensive capacity building programs of SE and the poor partners. It is important to note that the PRESENT bill does not include the “exemption to the minimum wage law” as an incentive. Social business enterprises are known to pay above the minimum wage and apply other fair trade principles. The PRESENT bill was filed in Congress on December 2014, but the progress of the bill has been stalled by a number of issues. One, the lack of agreement on the definition of social enterprises, *i.e.*, how social enterprises can be differentiated from the broad spectrum of social enterprise activities of for-profit and non-profit firms. A second issue is whether a separate law and/or implementing body is necessary given existing laws on MSMEs, BMBEs, CSR activities of large companies, and non-profit organizations. Another issue is concerned with the possible overlaps on the proposed incentives for social enterprises with that of social protection policies and programs of government for the poor and disadvantaged sectors. These basic issues have to be clarified to enable the establishment of a social enterprise development plan for the country.

It is important to understand the policy environment that enables social enterprises to develop. The study of Poon (2011) noted three main conditions that have led to the emergence and development of social enterprises globally.¹⁸ First, the political and legal environment should provide the opportunities and space for social enterprises to emerge. The government has to be supportive of the role of civil society to fill in gaps in delivery of social services. It also has to actively promote the development of social enterprises through the institutional environment.¹⁹ The legal environment should facilitate experimentation. Excessive regulations can obstruct firms to innovate, lead to informal arrangements difficulty to access financing, and ineligibility in government programs.

Second, a conducive social and cultural environment to enable the growth of social enterprises. Social enterprises require an environment where social entrepreneurs have to emerge in sufficient number. Social entrepreneurship is encouraged when there is a widespread attention on socioeconomic issues and

¹⁸ The study provided a review of social enterprises in different regions -- Europe, United States, Latin America and Asia (focusing on China and India)-

¹⁹ In the United Kingdom, the promotion of social enterprises has been institutionalized through the creation of a national social enterprise unit and regional government units to support local efforts

a cultural environment that allows linkages with other countries for exchange of talents and expertise on social enterprise development

Third, there should be an “ecosystem” of enabling institutions to facilitate the success and scaling up of social enterprises (Poon 2011:30). Social enterprises require the support of different institutions – academe, incubators, financier, experts/consultants, business plan competitions, etc. - in order for these enterprises to scale up.

Table 2: MSMEs Development Plans and the Proposed PRESENT Bill

Provisions	RA9501 of 2008	RA 9178 of 2002	SOCIAL ENTERPRISE BILL or PRESENT ACT	
			House Version	Senate Version
Title	“Magna Carta for Micro, Small and Medium Enterprises (MSMEs)”. AN ACT TO PROMOTE ENTREPRENEURSHIP BY STRENGTHENING DEVELOPMENT AND ASSISTANCE PROGRAMS TO MICRO, SMALL AND MEDIUM SCALE ENTERPRISES,	"Barangay Micro Business Enterprises (BMBEs) Act of 2002." AN ACT TO PROMOTE THE ESTABLISHMENT OF BARANGAY MICRO BUSINESS ENTERPRISES (BMBEs), PROVIDING INCENTIVES AND BENEFITS THEREFOR, AND FOR OTHER PURPOSES.	“Poverty Reduction Through Social Entrepreneurship (PRESENT) Act.” AN ACT 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	"Poverty Reduction Through Social Entrepreneurship (PRESENT) Act." AN ACT INSTITUTIONALIZING THE POVERTY REDUCTION THROUGH SOCIAL ENTREPRENEURSHIP (PRESENT) PROGRAM AND PROMOTING SOCIAL ENTERPRISES WITH THE POOR AS PRIMARY STAKEHOLDERS
Rationale of Law	MSMEs have the potential for more employment generation and economic growth and therefore can help provide a self-sufficient industrial foundation for the country.	To encourage the formation and growth of barangay micro business enterprises which effectively serve as seedbeds of Filipino entrepreneurial talents, and integrating those in the informal sector with the mainstream economy.	To pursue a poverty reduction program that promotes an environment conducive to the development and growth of a vibrant social enterprise sector engaged in poverty reduction, economic and social development. It shall empower the poor as primary stakeholders.	To pursue an inclusive growth strategy that promotes an environment conducive to the development and growth of a vibrant social enterprise sector engaged in poverty reduction, economic and social development.
Definition of SME or SE	MSMEs shall be defined as any business activity or enterprise engaged in industry, agribusiness and/or services, whether single proprietorship, cooperative, partnership or corporation whose total assets have value as follow: micro: not more than P3,000,000, small: P3,000,001 - 15,000,000 and medium: P15,000,001 - P100,000,000	"Barangay Micro Business Enterprise," or BMBE, refers to any business entity or enterprise engaged in the production, processing or manufacturing of products or commodities, including agro - processing, trading and services, whose total assets shall not be more than Three Million Pesos (P3,000,000.00).	Social Enterprise refers to a wealth-creating organization, 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.	“Social Enterprise” or SE shall refer to a social mission-driven organization that conducts economic activities providing goods and services directly related to their primary mission of improving the well-being of the poor, basic and marginalized sectors and their living environment.

Support programs and Incentives			
a. Finance	Credit and guarantee support Mandatory allocation of credit resources of all lending institutions to SMEs	Government lending institutions provide special credit window for BMBEs	Non-collateralized loan through special credit windows with a guarantee fund pool Comprehensive insurance program due to climate change
b. Technology	SME innovation R&D	Technology transfer, production and management training, and marketing assistance	R&D and technology support Resources for comprehensive capacity development for SEs
c. Market Access	10% share of SMEs in government procurement Trade and investment promotion; capacity building programs, market information assistance		Preferential treatment provision in government procurement
d. Regulatory	LGUs provide facilities that will facilitate administrative and operational requirements	One-Stop-Business Registration Center for efficient processing of permits or licenses	Proactive SE market development promoting principles of fair trade Mainstream SE content in formal educational system Recognition and support for LGUs in developing social enterprises
e. Incentives	Presidential awards for outstanding MSMEs and good MSME practices	Exemption from Taxes and Fees. Exemption from minimum wage laws	Tax exemptions and tax breaks for SEs and social investors Cash incentives (e.g. 25% of minimum wage for SE employing PWDs)
Implementing body	Micro, Small and Medium Enterprise Development (MSMED) Council. — attached to the Department of Trade and Industry (DTI). The Bureau of Small and Medium Business Development (BSMBD acts as the Council Secretariat	Create Social Enterprise Development Council (SEDC). The SEDC is an agency attached to the Department of Trade and Industry (DTI).	Create National Enterprise Development Council for MSMEs and SEs to carry out the policy throughout the country,

1/ Local government units (or LGUs) have administrative powers to regulate activities within their areas of responsibility. LGUs issue business permits, regulate small and medium industries, develop livelihood programs, maintain symbiotic ties with local chambers of commerce (Local Government Code of 1990)

VI. Conclusions

The modern movement on social enterprises that is developing in different parts of the globe has led to a rethinking of the economy. There is a growing recognition of a “diverse economy”; the capitalist economy as one component and the community economy that is promoted through social enterprises as another. The appeal of social enterprises is the attention to community well-being and human development as the core advocacies of enterprise business. Social enterprises are engaged not only in developing a business but in constructing communities and enlarging them. The development of these enterprises thus could be a better way to advance the agenda of inclusive and sustainable growth.

Social enterprises arise from different trajectories. The emerging mode in the country is by a social entrepreneur who establishes a business that develops around marginalized communities in response to social issues. The communities are either directly involved in the business or are provided access to basic services (e.g. power, health insurance, water) for improved livelihood and human development. The social entrepreneur track tends to move toward commercialization faster than an enterprise that started as a cooperative organization. Cooperative enterprises are often saddled by dysfunctional management that cause businesses to fail. On the other hand, social entrepreneurs provide the leadership in the enterprise. They bring in the concept, financing, research, technology, skills training and partnerships that are necessary for the enterprise to thrive in the business. They operate the enterprise by taking on the business risks and ensure that financial growth and sustainability of the business are not given up. This arrangement also allows the community to develop skills and capacities as the business grows.

Social enterprises have the potential to scale up into big corporations and are probably less constrained by labor laws and economies of scale (compared to a factory model) to grow big. A possible reason is that social enterprises that scale up create multi-organizational systems which include stock or non-stock for profit corporations and non-stock, non-profit corporations. The partner communities can also move up the value chain (from production to processing) as the social enterprise expands. Co-ownership or a devolution strategy is also a possibility. This hybrid arrangement leads to shared wealth and asset creation.

Social enterprises are similar to MSMEs in terms of business activity and as such would also need a conducive environment for doing business and government support in terms of access to financing and tax incentives. The local regulatory indicators for social enterprises should also work along the lines of ease in doing business such as starting a business, paying taxes, getting credit, enforcing contracts, closing a business, etc. However, the incubation period for these enterprises tends to be longer compared to MSME since the organization and capacity building process with partner communities takes time. Government can support the development of social enterprises by providing incentives for venture capitalists to invest in social enterprises.

At present, the policy environment for social enterprises in the country has yet to be established. A basic issue that needs to be clarified is the definition of social enterprises. The term “social enterprises” has been applied to a variety of organizations and institutions, both profit and non-profit. It also includes different sizes of social enterprises. It might be good to harmonize the definitions to enable government to respond to the needs of the sector. Adopting a broad definition could muddle the concept and relevance of social enterprises.

On the other hand, the Philippines has a social and cultural environment conducive for social entrepreneurship to emerge. This is largely attributed to the widespread focus in the country of bottom-of-the-pyramid issues and the stronger participation of the civil society and the private sector in social issues. Social entrepreneurship programs have also been established in academic institutions and private foundations, enabling social entrepreneurs to become more equipped with relevant knowledge and networks (both local and international). This environment should be nurtured so that social entrepreneurs can emerge in sufficient number.

Finally, research on social enterprises has been constrained by the lack of comprehensive and systematic data. Thus, current studies are limited to case studies that do not adequately capture the relative importance of the community economies. Developing a M&E system for social enterprises would be a useful tool to provide evidence on the impact of social enterprises on community growth and on broad based growth. The empirical research will help move the social enterprises agenda forward.

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ANNEX A: List of Social Business Enterprises Registered at ChooseSocial.Ph, 2016

Retails and Commerce					
Name of Enterprise	Year Founded	Business Category	Business Sub-Category	What is the Social Cause	Partner/ Beneficiary
1. Anthill Fabric Gallery	2010	Retail & Ecommerce	Filipino handcrafts, Jewelry, bags & accessories, Clothing & footwear	Culture, Entrepreneurship & local business development, Rural development	Rural Communities, Aboriginal / Indigenous groups, Women
2. Artwine	2007	Retail & Ecommerce	Filipino handcrafts, Jewelry, bags & accessories, Home & décor	Education, Poverty eradication	Youth, Low-income individual
3. Bambike		Retail & Ecommerce	Green products, Fair Trade, Filipino handcrafts	Environment, Employment development & skills training, Poverty eradication	Rural Communities, Low-income individuals
4. Bambowtie	2012	Retail & Ecommerce	Fair Trade, Filipino handcrafts, Clothing & footwear	Education	Youth
5. Banago	2011	Retail & Ecommerce	Jewelry, bags & accessories	Employment development & skills training, Entrepreneurship & local business development, Rural development	Disaster affected groups, Rural Communities, Women
6. Benitez Collection	2011	Retail & Ecommerce	Green products, Filipino handcrafts, Jewelry, bags & accessories	Environment, Employment development & skills training, Poverty eradication	Women

7. CustomMade Handcrafted Traditions	2003	Retail & Ecommerce	Green products, Fair Trade, Filipino handcrafts	Culture, Environment, Employment development & skills training	Rural Communities, Aboriginal / Indigenous groups
8. ECHOStore	2008	Retail & Ecommerce	Green products, Fair Trade, Filipino handcrafts	Poverty eradication, Health and wellness	Rural Communities, Women
9. EcoIngenuity Inc.	2010	Retail & Ecommerce	Green products, Jewelry, bags & accessories	Environment, Employment development & skills training, Rural development	Disaster affected groups, Rural Communities, Low-income individuals
10. Gifts & Graces Fair Trade Foundation	2006	Retail & Ecommerce	Fair Trade, Filipino handcrafts, Jewelry, bags & accessories	Employment development & skills training, Entrepreneurship & local business development, Poverty eradication	Rural Communities, Aboriginal / Indigenous groups, Low-income individuals
11. Gkconomics	2009	Retail & Ecommerce	Filipino handcrafts, Jewelry, bags & accessories, Home & décor	Employment development & skills training, Entrepreneurship & local business development, Poverty eradication	Women, Low-income individuals
12. Gugu	2010	Retail & Ecommerce	Filipino handcrafts, Jewelry, bags & accessories	Culture, Entrepreneurship & local business development	General population
13. Habi Footwear	2011	Retail & Ecommerce	Green products, Clothing & footwear	Environment, Employment development & skills training, Poverty eradication	Women, Low-income individuals
14. Human Nature	2008	Retail & Ecommerce	Green products, Cosmetics	Entrepreneurship & local business development, Poverty eradication, Rural development	Low-income individuals
15. Jacinto & Lirio	2009 (to be verified)	Retail & Ecommerce	Green products, Jewelry, bags & accessories	Environment, Employment development & skills training	Disaster affected groups, Rural Communities
16. Kape Maria	2012	Retail & Ecommerce	Fair Trade	Poverty eradication	Rural Communities
17. Kinamot nga Buhat	2013	Retail & Ecommerce	Filipino handcrafts,	Employment development & skills training	Disaster affected groups, Women

			Jewelry, bags & accessories		
18. Lagu	2012	Retail & Ecommerce	Green products, Jewelry, bags & accessories	Environment	General population
19. Liberty Street Clothing Company	2012	Retail & Ecommerce	Clothing & footwear	Employment development & skills training, Human Rights	Women
20. Lumago Designs	2012	Retail & Ecommerce	Fair Trade, Filipino handcrafts, Jewelry, bags & accessories	Environment, Poverty eradication	Women, Low-income individuals
21. Manila Sole	2011	Retail & Ecommerce	Green products, Clothing & footwear	Culture, Environment, Entrepreneurship & local business development	General population
22. Maruyog Charms	2012	Retail & Ecommerce	Filipino handcrafts, Jewelry, bags & accessories	Culture, Poverty eradication	Aboriginal / Indigenous groups
23. Messy Bessy	2007	Retail & Ecommerce	Green products, Home & décor, Parenting Products	Environment, Employment development & skills training, Education	Youth
24. Olivia and Diego	2013	Retail & Ecommerce	Green products, Jewelry, bags & accessories	Environment, Employment development & skills training, Rural development	Rural Communities, Youth, Women
25. Plush and Play	2012	Retail & Ecommerce	Green products, Filipino handcrafts, Parenting Products	Education, Poverty eradication	Youth, Women
26. Rags2Riches	2007	Retail & Ecommerce	Green products, Jewelry, bags & accessories, Home & décor	Employment development & skills training, Entrepreneurship & local business development, Poverty eradication	Women, Low-income individuals
27. Red Carpet	2011	Retail & Ecommerce	Filipino handcrafts, Jewelry, bags & accessories, Home & décor	Poverty eradication	Women
28. Suelas	2011	Retail & Ecommerce	Clothing & footwear	Entrepreneurship & local business	Rural Communities,

				development, Poverty eradication	Low-income individuals
29. Taclob	2014	Retail & Ecommerce	Green products, Filipino handcrafts, Jewelry, bags & accessories	Employment development & skills training, Education	Disaster affected groups, Youth
30. Takatak Project	2011	Retail & Ecommerce	Filipino handcrafts, Home & décor	Culture, Entrepreneurship & local business development	Low-income individuals, General population
31. Tejo	2013	Retail & Ecommerce	Filipino handcrafts, Jewelry, bags & accessories	Employment development & skills training, Poverty eradication	Women, Low- income individuals
32. The Carrier Pigeon Project		Retail & Ecommerce	Jewelry, bags & accessories, Clothing & footwear	Education	Youth, Low- income individuals
33. The Paper Project Inc	2011	Retail & Ecommerce	Filipino handcrafts	Employment development & skills training, Human Rights	Women
34. VESTI	2011	Retail & Ecommerce	Filipino handcrafts, Jewelry, bags & accessories	Culture, Entrepreneurship & local business development	Rural Communities, Aboriginal / Indigenous groups
35. VURS Clothing	2010	Retail & Ecommerce	Clothing & footwear	Human Rights	Youth, Women, Low-income individuals
36. W.E. Garage	2012	Retail & Ecommerce	Green products, Jewelry, bags & accessories	Environment, Poverty eradication	Women, Low- income individuals
37. We Are Juan	2014	Retail & Ecommerce	General Products	Entrepreneurship & local business development, Social enterprise development	Other social enterprises, co- operatives or charities, etc.
Food and beverage services					
1. Bayani Brew	2012	Food and beverage services	Food production and/or distribution	Social enterprise development, Poverty eradication, Rural development	Rural Communities, Low-income individuals
2. Coffee For Peace (CFP)	2008	Food and beverage services	Bar or cafe, Food production and/or distribution	Environment, Rural development	Rural Communities, Aboriginal / Indigenous groups, Low- income individuals

3. Cream of the Crop	To be checked	Food and beverage services	Food production and/or distribution	Rural development	Rural Communities
4. Enchanted Farm (EF) Café	2012	Food and beverage services	Restaurant, Bar or cafe	Entrepreneurship & local business development, Social enterprise development, Poverty eradication	Homeless, Low-income individuals
5. First Harvest	2013	Food and beverage services	Food production and/or distribution	Employment development & skills training, Education, Rural development	Rural Communities, Youth, Low-income individuals
6. Friggies	2013	Food and beverage services	Food production and/or distribution	Health and wellness, Rural development	Rural Communities, General population
7. Goldenduck	2011	Food and beverage services	Food production and/or distribution	Entrepreneurship & local business development, Poverty eradication, Rural development	Rural Communities, Low-income individuals
8. Good Food Co.	2011	Food and beverage services	Food production and/or distribution	Environment, Health and wellness, Rural development	Rural Communities
9. Gourmet Keso	2011	Food and beverage services	Food production and/or distribution	Entrepreneurship & local business development, Poverty eradication, Rural development	Rural Communities, Women, Low-income individuals
10. Hamlet	2013	Food and beverage services	Food production and/or distribution	Poverty eradication, Health and wellness, Rural development	Rural Communities, Youth, Low-income individuals
11. Theo & Philo Artisan Chocolates	2010	Food and beverage services	Food production and/or distribution	Entrepreneurship & local business development, Poverty eradication, Rural development	Rural Communities
Tourism and hospitality					
1. Corong Galeri Lokals	2000	Tourism and hospitality	Ecotourism, Cultural tourism, Commercial Tourism	Culture, Environment, Employment development & skills training	Rural Communities, Aboriginal / Indigenous groups
2. FlipTrip	2014	Tourism and hospitality	Cultural tourism, Commercial Tourism, Accommodation	Entrepreneurship & local business development, Rural development	Rural Communities

3. Kawil Tours	2011	Tourism and hospitality	Ecotourism, Commercial Tourism	Environment, Entrepreneurship & local business development, Rural development	Rural Communities, Low-income individuals
4. Mabuhay Restop Travel Cafe and Museum	2013	Tourism and hospitality	Cultural tourism	Culture, Poverty eradication	Low-income individuals
5. Route +63	2012	Tourism and hospitality	Voluntourism, Ecotourism, Cultural tourism	Culture, Environment, Entrepreneurship & local business development	General population
6. The Circle Hostel	2011	Tourism and hospitality	Ecotourism, Cultural tourism, Accommodation	Environment, Entrepreneurship & local business development	General population
7. Trail Adventours	2010	Tourism and hospitality	Ecotourism, Cultural tourism	Environment, Education	Low-income individuals, General population
8. TriboCo. Kultura Kamp	To be checked	Tourism and hospitality	Cultural tourism	Culture, Rural development	Rural Communities, Aboriginal / Indigenous groups
Arts					
1. JoomaJam!	To be checked	Arts	Music	Education, Poverty eradication	Youth, Low-income individuals
2. loudbasstard	2012	Arts	Music	Environment, Employment development & skills training, Education	Youth
Environment and animal protection					
RAD Green Solutions	2009	Environment and animal protection	Clean Technology	Environment	General population

Source: <https://www.choosesocial.ph/organization> web accessed 2016 July 7