

Is There a Case for Solidarity Economy?

by

Ben Quiñones

Chairman, CSRSME Asia

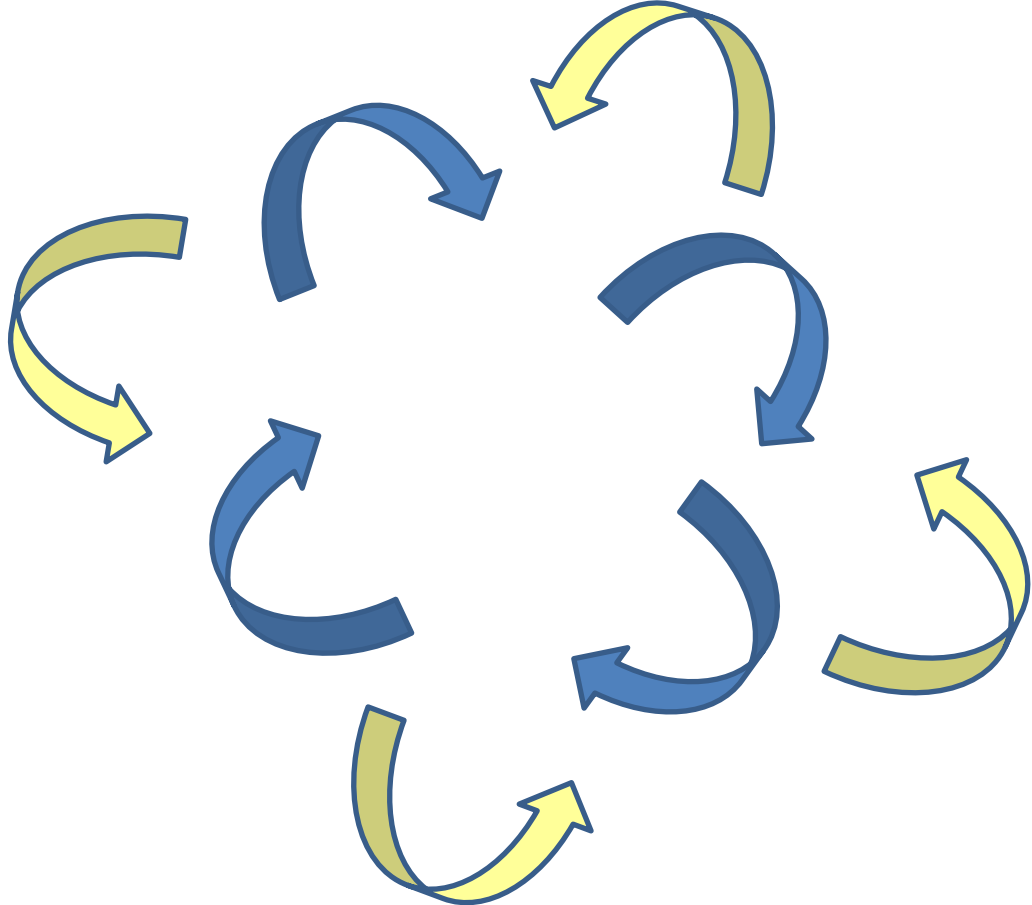
The Real and Financial Sectors of the Economy



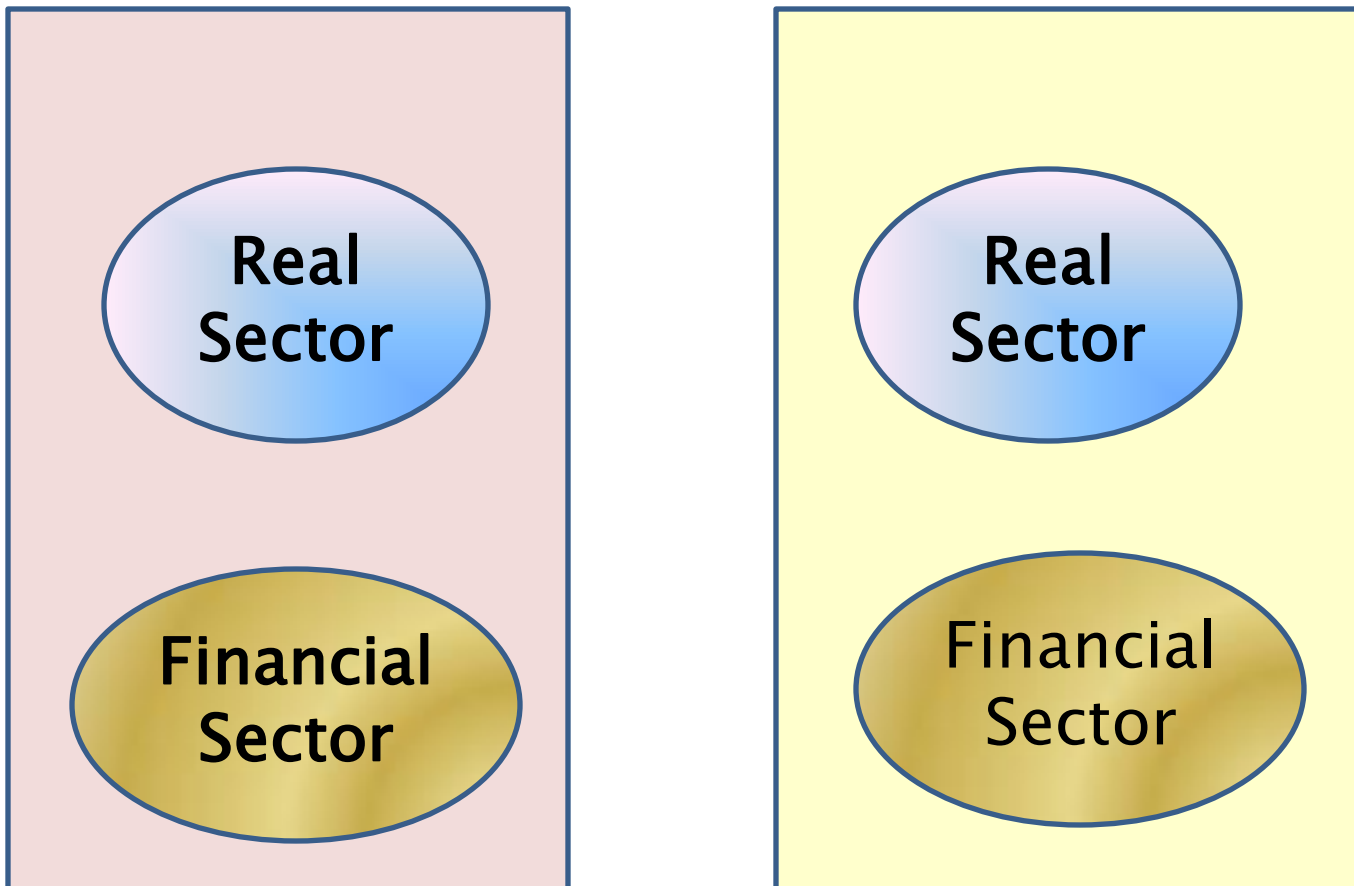
Real Sector:
production,
distribution,
consumption of
goods & services



Financial Sector:
payment of goods &
services



The Real and Financial Sectors of the Economy



MOTIVATION or PURPOSE
for the Allocation and deployment of resources?

The U.S. Economic Meltdown & Global Financial Crisis

U.S. is left with tools that have been ineffective at stemming the financial crisis ...

Jon Hilsenrath, Deborah Solomon & Sudeep Reddy, *The Wall Street Journal*, Oct. 1, 2008, p.4

“The world is searching for a new world order, for new balances. This search will quite possibly lead to **coordinated systems that will point toward possible solutions to global problems...**Priority** has to be placed **on commitment, dialogue and responsibility**”**

Henry J. Schumacher, *The New Balancing Act*, *BusinessWorld*, Oct 1, 2008. p.S1/3

“Corporate Social Responsibility (CSR) is the new trend in business, with more and more emphasis on nonfinancial factors such as social issues, ecology and good governance, finding a balance between top shareholder and above-average social, and environmental engagement”.

Henry J. Schumacher, The New Balancing Act, *BusinessWorld*, Oct 1, 2008. p.S1/3

Paradigm Shift in Mental Models

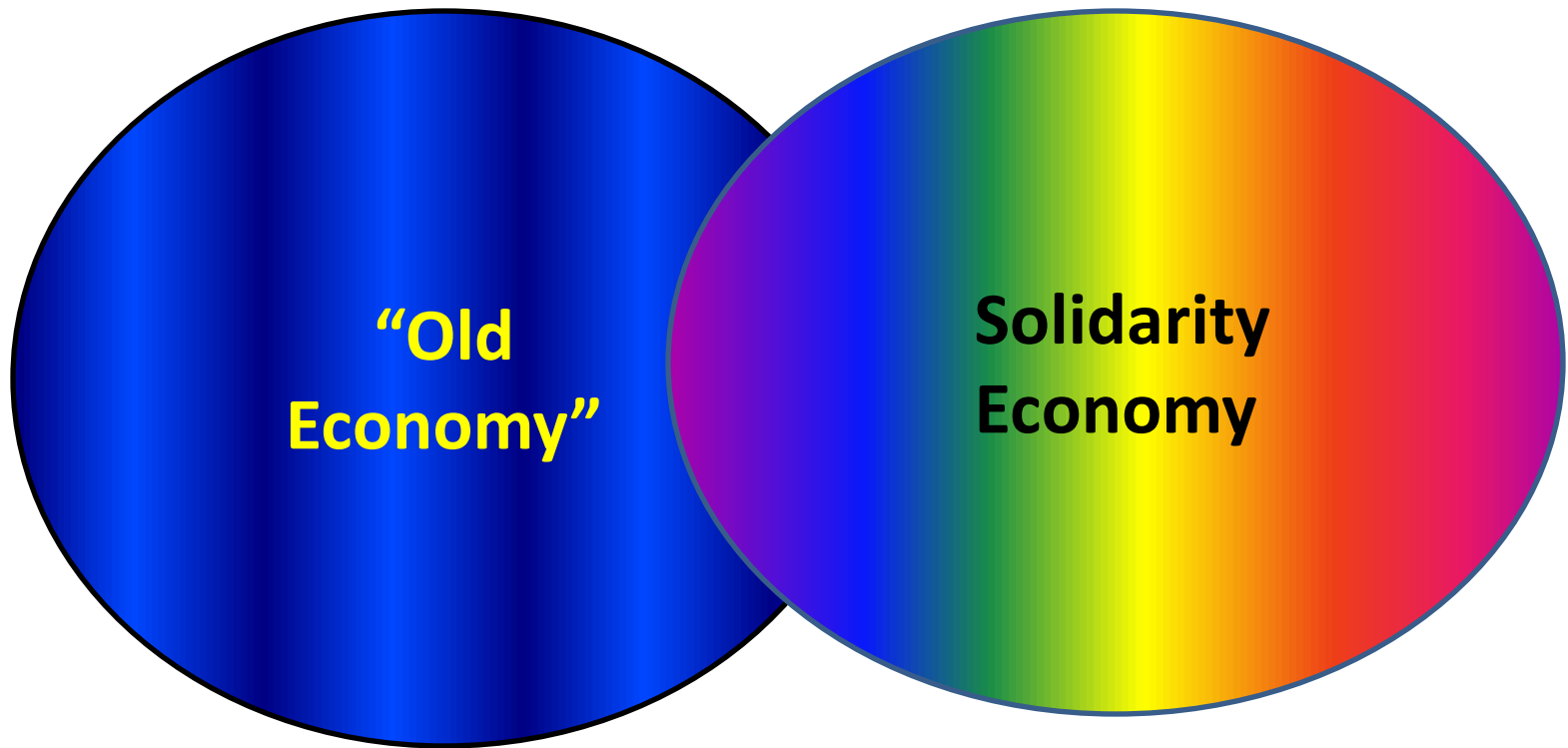
'Old Economy'

- profit is supreme
- “invisible hand” rules
- free access to information
- resources are scarce
- people can adjust to economic dislocations

Solidarity Economy

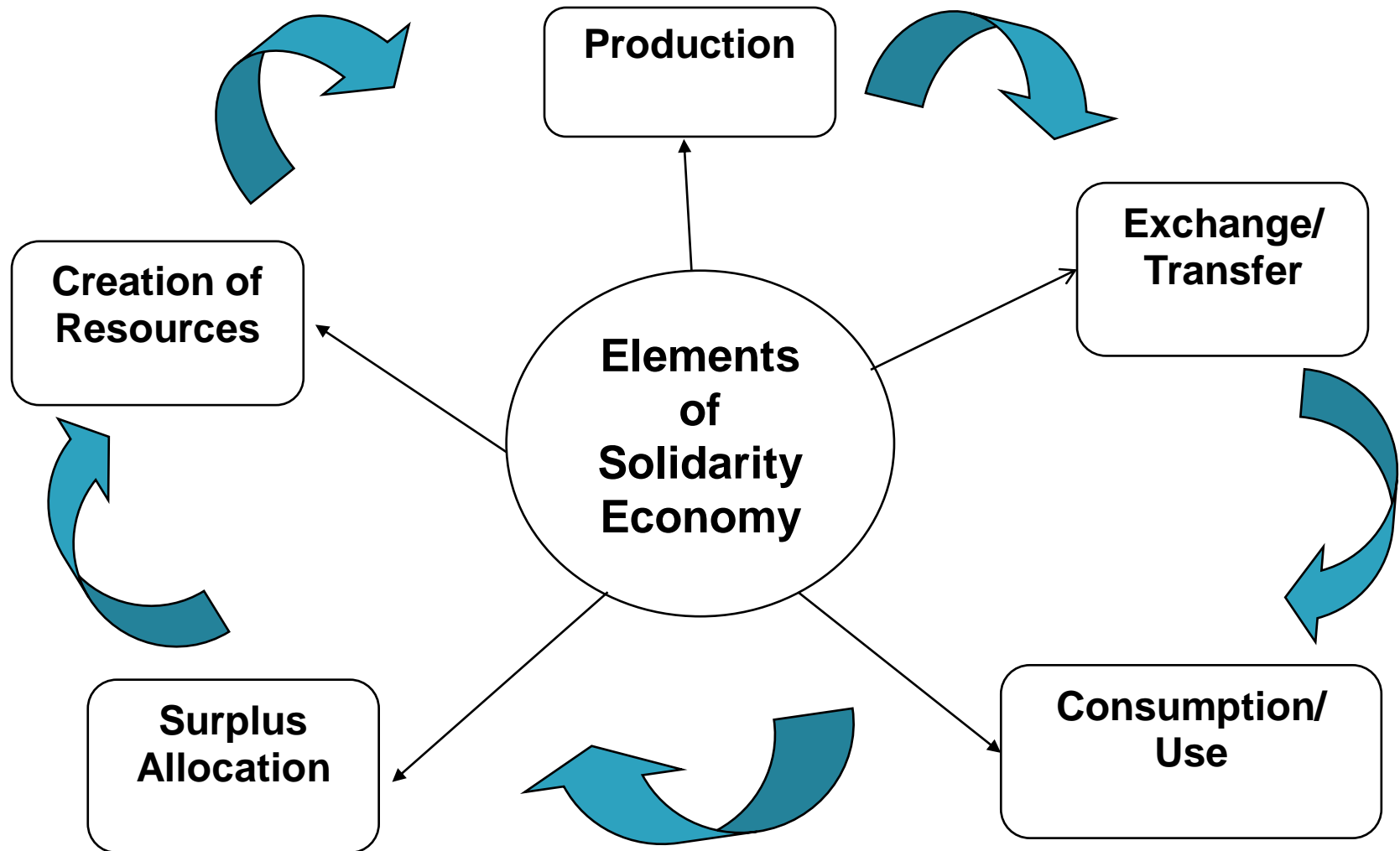
- “triple bottom line”
- organized stakeholders get a handle of market
- enable stakeholders' participation in market systems design & application
- resources can be renewed , recycled
- build learning organizations that allow people to acquire new knowledge/skills

Emergence of Solidarity Economy (SE) Initiatives



SE – totality of socio-economic & financial governance & activities of social enterprises

SOCIAL ENTERPRISE - social mission organization which produces /trades in goods or services for a social or environmental purpose



Building Shared Vision: Bayanihan Compassionate Economy

U - shape Learning Journey



Stage 1 - Observing the current reality:

deep inquiry into
mental models
by looking at
reality beyond
one's 'filters'

Stage 3 Prototyping & Pilot testing:

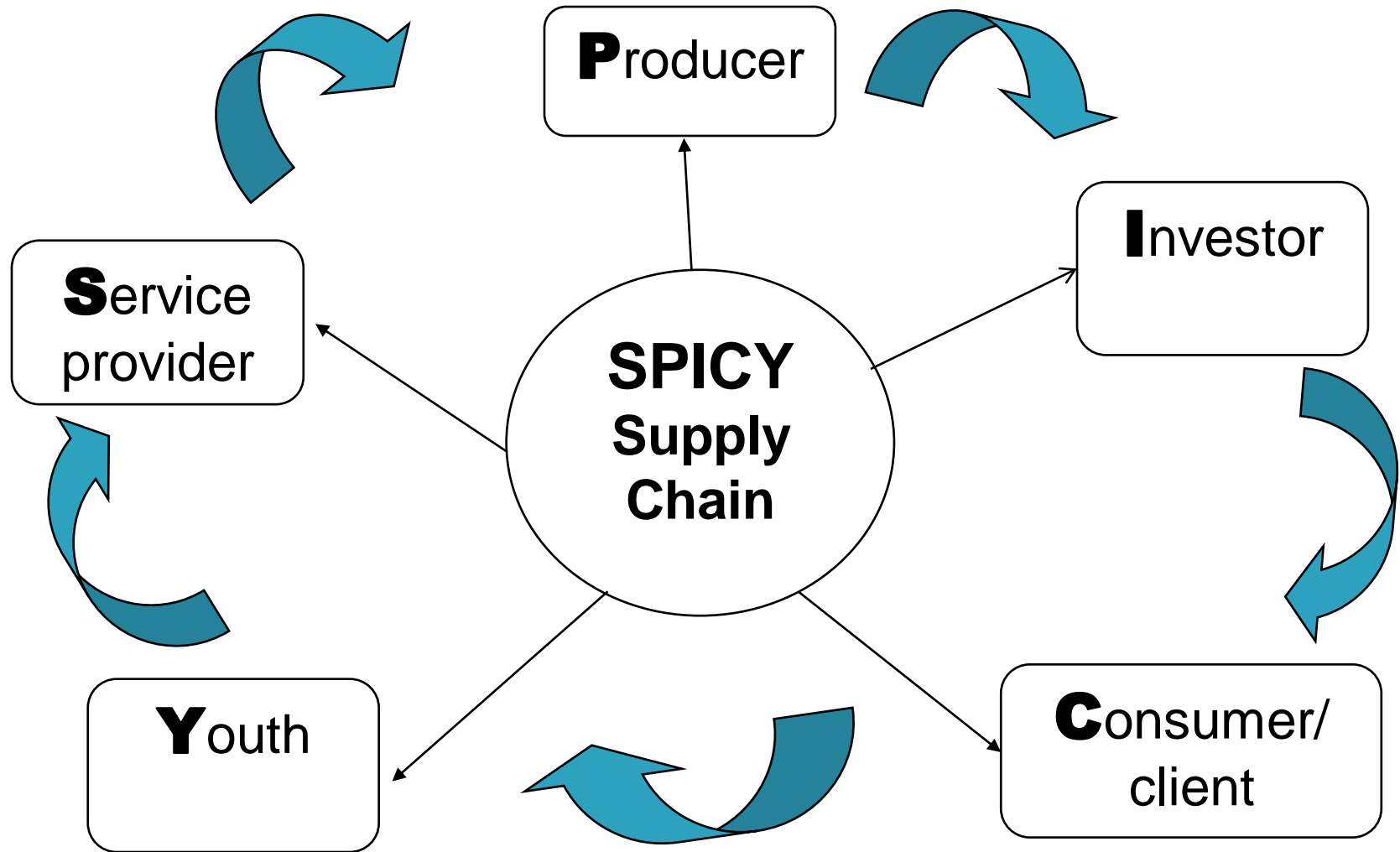
Team learning &
rapid prototyping to
translate visions into
concrete working
models

Stage 2 Retreating & Reflection:

deep process of true quiet and deep reflection ('presencing')
intended to evoke genuine caring and a sense of calling.

Participants go thru a process of developing 'action skills'
in dialogue and cooperation

BAYANIHAN 'SPICY' SUPPLY CHAIN



EXAMPLES OF BAYANIHAN 'SPICY' SUPPLY CHAINS

**Bayanihan Savings &
Credit Cooperative
Federation**

**Chrimi Products
(Moringa Coffee,
Moringa soup)**

Bayanihan Cash Card

Fair Housing Project

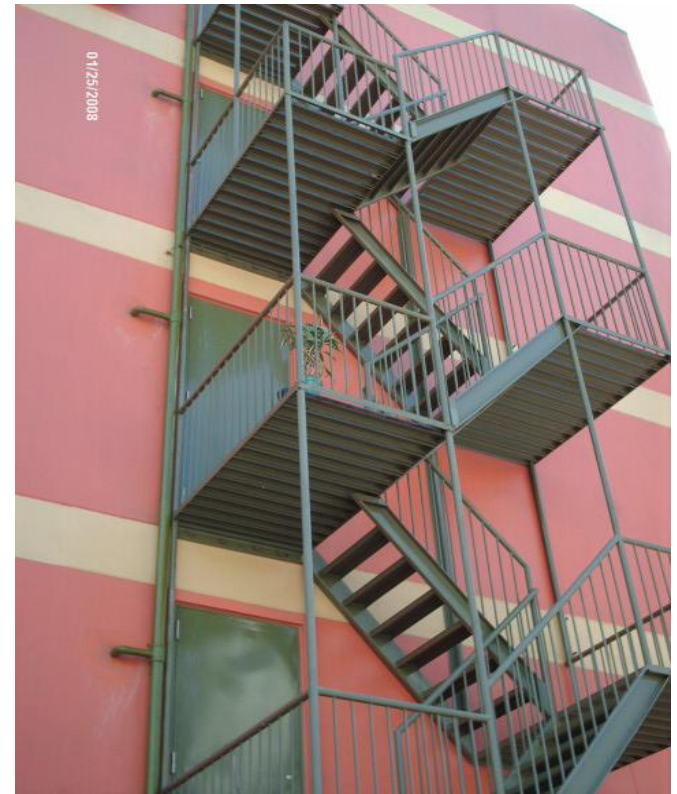
Bayanihan Farming

Microfinance

**Bayanihan Supply
Chain Conference &
Trade Exhibit**



Emergency Lights on every Floor



Fire Exit Ladder



Drying Stall

Model Unit



Model Unit



Why Fair Housing Project (FHP) is “Fair”

THE POOR: FHP provides 50% equity in market value of land which allows poor to have access to a furnished condo.

THE LANDOWNER: FHP transforms idle asset (“headache”) into productive asset.

THE PRIVATE INVESTOR: FHP is a socially responsible investment , returns 30% in 18 months, while helping the poor.

THE PAG-IBIG FUND (government housing finance agency): FHP is ideal private-public partnership, minimizes role of government to single task of buying what private sector builds.

Why Fair Housing Project is “Fair”

THE MICROFINANCE INSTITUTION (MFI): FHP provides attractive incentive for poor households to accumulate long-term savings.

THE BUILDING CONTRACTOR/DEVELOPER: FHP is an ideal private-public partnership, assures private contractor a guaranteed wholesale market for low-cost condominium units through the take-over purchase by Pag-ibig Fund.

THE PUBLIC AT LARGE: FHP transforms a slum area into a thriving community & real estate success.

CONCLUSION:

A SOLIDARITY ECONOMY IS POSSIBLE

1. We need to go thru a deep inquiry into our mental models → Learning Journey
2. Social entrepreneurship is needed in building sustainable solidarity based socio-economic systems
3. Social entrepreneurship involves value chain development. It is a multi-stakeholder approach.
4. The poor are valuable partners in building socially responsible enterprises.
5. Basic necessities (food, clothing, shelter, health care, education) are the priorities of social entrepreneurship
6. Social entrepreneurship is “fair” to all. It is best undertaken by mission-oriented institutions.