



Social Entrepreneurship

in the

Agriculture Sector

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April 5, 2011
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What is Entrepreneurship?

- It is the pursuit of opportunity beyond the tangible resources that is currently within one's control. (Stevenson)
- Seeking out new business opportunities, innovating and commercializing new goods and services.
- Entrepreneurship had been a key element in the process of advancement of the economy and society. (Schumpeter)

Who is an Entrepreneur?

- An entrepreneur is one who undertakes risks, innovations, in establishing and running a new business.

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Social Entrepreneurship is:

- Finding new and better ways to create social value or wealth. (vs. private wealth or value) (J. Gregory Dees) _____
- An innovative, social value-creating activity addressing a social issue. It can occur within and across the non-profit (social), business or government sectors. (HBS, 2000)

Who is a social entrepreneur?

One who seeks opportunities and innovative approaches and techniques to address social issues and effect social change.

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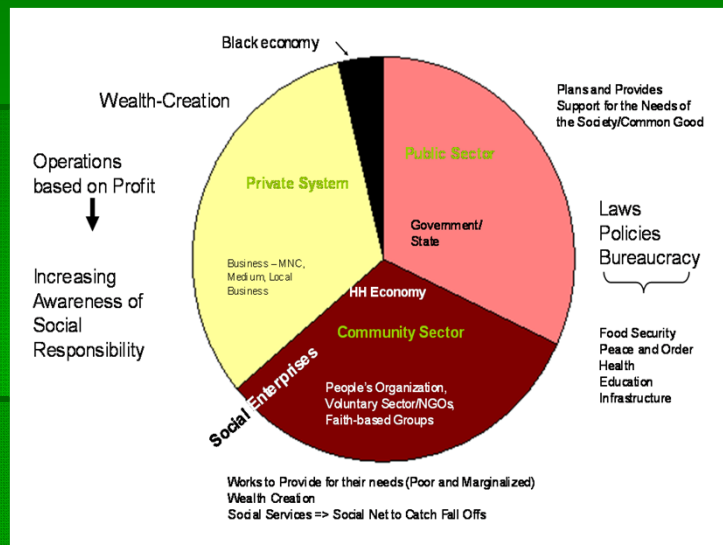


Social entrepreneurship is not:

- Philanthropy - generosity, altruism, charity
- Corporate Social Responsibility (CSR)
- Corporate Shared Value (CSV)
- Hybrid Value Chain (HVC)

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Three systems of the economy*



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*Source: Social Enterprise in Anytown, UK

How the 3 systems work

<u>Indicators</u>	<u>Private</u>	<u>Public</u>	<u>Social</u>
Motivation	Financial value	Public order	Human dignity
Core value	Profitability	Quality of life	Social justice
Resources	Finance capital Technology Innovation	Laws & policies National income State machinery	Commitment Solidarity Commons
Governance	Shareholders	Bureaucracy 3 branches	Formal & informal leaders
Outcome	Increase profits	National development	Increase HH income Access to opportunities
Measures of Success	ROI-NPV-ROE	GNP/GDP	Quality of life, happiness

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Why focus on the social sector

- Inadequacies and excesses of the private sector

- Inefficiencies of the market
- Unbridled greed for private profit
- “Survival of the fittest” rule

- Failures and abuse of the public sector

- Weak planning and regulation
- Wasteful government spending
- Inadequate social safety nets

- Value and Potential of the social sector

- Numerical advantage of the BOP
- Social base for re-distributive justice
- Social and financial cost of their vulnerability

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Why focus on agriculture...

- Majority of the poor are in rural areas :
11.655 million (mostly in agriculture)
- Lack of access to wealth creating assets
 - land,
 - Capital
 - technology
 - market
- Low priority against urban based enterprises, e.g. services, manufacturing

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Matin-ao Rice Center...



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Integrated micro agribusiness farm...



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Vegetable gardening...






Virgin Coconut Oil...



The ITDI ENTERPRISE MODULE

VIRGIN COCO OIL PRODUCTION



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    graph TD
      A[Grating] --> B[Pressing]
      B --> C[Heating]
      C --> D[Filtering]
      D --> E[Packaging]
      
```












www

Food processing...



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Coconut husks?



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Coco fiber...



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Coco dust...



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Benefits of social enterprises to the economy

- Entrepreneurially productive constituency
- Investments that remain in the community
- Contributes to the local development thrust
- Creation of local jobs and local products
- Opportunity to develop value adding activities-processes in the locality
- Stimulation of local economic transactions
- Increase in local income and government revenues

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Barriers to social entrepreneurship...



- Access

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■ Bearing the cost of (under) development



Economic Crisis



Government fails to regulate greed

Taxpayer pays for greed and the lack of regulation

Derivatives - Financial weapons of mass destruction

(Warren Buffet) www.unladkabayan.org

Environmental Crisis



Ginsaugon, Southern Leyte



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Crisis in Values



- **Selfish individualism** - Personal advancement and interest vs — common good
- **Consumerism** - unsustainable consumption & waste
- **Greed** — insatiable lust for money and material wealth

- **Hubris** — arrogance derived from delusion that the mere size of one's holdings alone will insulate one from any economic distress



THE SAME STORY

Prosperity and poverty



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Social unrest



Egypt
Libya
Philippines
Bahrain



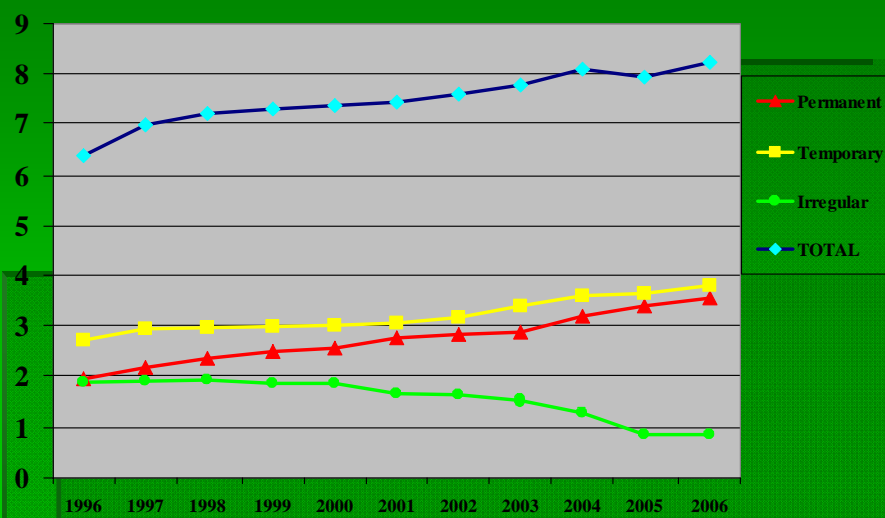
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A development paradigm



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Stock Estimates of Filipinos Overseas (some 200 Filipinos leaving RP every hour)



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Sources: CFO, DFA, POEA, 4th State of Popn Report, other sources

The Overseas Filipino Workers



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Social Entrepreneur as Leader & Manager



Leadership is about inspiring your team to achieve high performance and creating a compelling vision of the future.

- Management is about making your organization run better.

Manager

Focus on things
(manages things)
Administers
Short-range view
Asks how & when
Eye on bottom line
Accepts status quo

Leader

Focus on people
(Leads people)
Innovates
Long-range perspective
Asks what and why
Eye on the horizon
Challenges status quo

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Barriers to Social Entrepreneurship

- Non-entrepreneurial mindset
- Lack of exposure, training and skills;
- Low demand to be socially entrepreneurial;
- Incoherent development policies and programs
- Economic/business culture
- High cost of entrepreneurship:
 - > *high cost of capital*
 - > *lack of infrastructure support*
 - > *high cost of energy*
 - > *high corporate tax*

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What can be done?

- Invest in and promote the study on Social Entrepreneurship
- Learn from & disseminate good practices
- Integrate in curriculum in the early grades
- Generate supportive policy environment & public support
- Support & reward social entrepreneurs
- Structural change in the way society is managed

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What can social entrepreneurs do?

- Aim for an internally driven local economic development
- Establish strategic partnership with the Social Sector
- Institutionalize training and development of home-grown social entrepreneurs
- Build and nurture a community of practice and enable social entrepreneurs to grow.

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Issues & Opportunities

- Food security – wholesome & sufficient
- Alternative energy - accessible & renewable
- Value adding processes in supply chain
- Enhancing human resource quality
- Traffic, transportation & mobility
- Productive use of technology & communication
- Consumer culture

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Ideas for social enterprises in agriculture

- A workers coop: construction, general services
- Nanays general services: babysitting, laundry, wellness, etc.
- Container garden



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Itatag ang kabuhayan sa
sariling Bayan!**

Maraming Salamat Po!

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