



# Creating an Inclusive Social Enterprise Ecosystem: A Policy Recommendation for the Growth of SE Sector in the Philippines

## Introduction

Initiatives and varying approaches utilizing various development platforms have emerged to help alleviate the economically disadvantaged and marginalized sectors of society from poverty. Providing support for poor communities, both by government and the private sector (i.e., technical support, advancing social protection, community development, and environmental advocacy for resiliency, among others) is equally relevant as involving the marginalized sectors in socio-economic activities either as clients, suppliers, workers, and as co-owners of their social enterprises.

Social enterprise (SE) was first developed by the American non profit community in the 1970s to create and operate businesses that provide job opportunities for the disadvantaged, homeless, and other at-risk people (Alter, 2002).

In the Philippines, there are approximately about 164,473 social enterprises (CSO SEED, 2017) operating in varying forms, contexts, and sectors, serving the marginalized communities across regions. These organizations take the form of cooperatives, micro-finance institutions, fair trade organizations, and new generation social enterprises based on the definition of Social Enterprises with Poor as Primary Stakeholders or SEPSS (Dacanay, 2004, 2009). As part of the social economy sector of the country, SE represents almost 15% of the total registered micro, small, and medium enterprises and are primarily providing livelihood and employment opportunities to the most vulnerable members of society such as farmers and fisherfolk.

However, the challenge still lies in how key stakeholders understand their roles and how collaboration is facilitated and maximized by both public and private organizations to contribute to the growth of the SE sector.

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## Policy Recommendations

### National Government Agencies

1. Relevant national government agencies, such as the Department of Trade and Industry, Department of Agriculture, Design Center of the Philippines, and Technical Education and Skills Development Authority, together with some private institutions (accelerators and impact investors) should provide technical assistance to social enterprises in areas of product development, capacity and network building, resource mobilization, and marketing.
2. The Department of Science and Technology should provide technical assistance and incubation support to technology-based social enterprises.

### Local Government Units

1. Local government units (LGUs) play a very critical role in institutionalizing efforts towards community development, such as the establishment of incubation facilities in communities; and the passing of local ordinances that will help social enterprises to have access to resources, such as funding and capacity building.
2. In the implementation of livelihood and income-generating programs, LGUs should put in place sustainability mechanisms, such as product development to market linkage, training-driven program to enterprise-creation program, and thrust-based to needs/market-based initiatives.
3. Initiatives on social entrepreneurship should be consistent with the results of community-based monitoring systems (CBMS) or other profiling mechanisms led by LGUs and done with communities.

### Educational Institutions

1. Higher educational institutions (HEIs) must integrate SE subjects into the curriculum or offer courses and certificate programs for aspiring social entrepreneurs and SE advocates. Likewise, HEIs should encourage participation and involvement of partner communities in social entrepreneurship, social engagement, and service-learning initiatives.
2. The academe should work with LGUs to institutionalize efforts towards community development, such as the establishment of incubation facilities in communities to help social enterprises have access to resources (funding and capacity building).
3. Collaboration of HEIs with the Department of Education is encouraged in initiating formation programs on social entrepreneurship for primary and secondary students. This can also be implemented through the senior high school program under the Accounting, Business, and Management (ABM) strand.
4. Partnership of academe with the business sector is recommended in the form of corporate social responsibility and social engagement programs, supportive of the agenda of both LGUs and the United Nations Sustainable Development Goals.
5. As the “nest” of knowledge and the research hub of experts from various disciplines and sectors, the academe should encourage interdisciplinary researchers with a specific focus on social entrepreneurship/innovations (or social economy in general) and share the information with the industries.

### Private Institutions and Social Enterprise Incubators/Accelerators

1. Collaboration among social entrepreneurs with private and public educational institutions and strategic interventions in knowledge management and knowledge generation should be undertaken.
2. Formation programs for budding social entrepreneurs should be implemented in parallel efforts with the establishment of incubation/accelerator facilities.
3. Private institutions are encouraged to generate and invest resources for the social economy sector in partnership with both local and national government.

## Basis of Policy Recommendations

Government and private institutions (civic organizations, national government agencies/local government units, social development arms of businesses, and the academe) implement programs that help the poor and marginalized groups. This highlights the emerging need to collaborate in addressing social, economic, and environmental needs in the long run—a concept that is being promoted by social entrepreneurship.

Social entrepreneurs are driven and influenced by their transformational roles, borne out of commitment for personal/professional growth, economic contributions to families, and passion for community organizing and contribution to national development. Moreover, the demand for an inclusive society in a relatively challenging situation also helps shape the way founders of social enterprises stay relevant in their advocacies. This guides social entrepreneurs to consistently deliver the desired outcomes, which are measured in terms of the triple or double bottom-lines (social, economic, and environmental).

However, providing the right balance on key principles of community development, business management, and innovations as the required knowledge, skills, and attitude of social entrepreneurs is also essential in developing and sustaining a social enterprise. These principles should be reflective of the shared commitment to learning, creativity, problem-solving, and leadership, which are key values that will help sustain one's passion for social entrepreneurship.

This way, internal stakeholders will have a deeper appreciation and a high level of understanding of social problems, thereby providing a venue for external stakeholders to partner and collaborate. Some of the areas where public and private organizations' support is needed include capacity building, skills development, market and product development, and innovative solutions/technologies.

## Conclusion

Social entrepreneurs perform either transactional or transformational roles in the SE sector and society in general. Transactional role focuses on the business aspect of managing social enterprises such as selling, production, bookkeeping and accounting, and management. Transformational role, on the other hand, covers skills and capacities built, change of behavior, and the ability to influence others to promote and advocate for the core value of the social enterprise. Moreover, the levels of engagement and participation of key stakeholders have a direct influence on the culture of social enterprises and indirectly affect business operations. Government interventions in terms of capacity building, tax incentives, and support programs have direct implications on the growth of social enterprises in the same way as the availability of resources from the private sector through corporate social responsibility programs.

Social entrepreneurs are expected to learn a combination of technical and practical knowledge and skills in managing SEs. Likewise, they are expected to effectively manage expectations and perspectives of businesses, civil society organizations, and communities as key stakeholders.

The table below shows the proposed program design that both private and public organizations can use in order to help improve the social enterprise landscape of the country in areas of formation and SE development.

PHASES	STRATEGIES	STRATEGIC PARTNER/S
BASELINING AND COMMUNITY PROFILING	COMMUNITY-BASED MONITORING SYSTEM (CBMS) SCOPING OF INFORMAL BUSINESS MODELS	CBMS
COMMUNITY ORGANIZING (FORMAL AND INFORMAL CAPACITY-BUILDING)	LEARNING SESSIONS COMMUNITY WORKSHOPS IMMERSIONS/ STUDY TOUR MENTORSHIP BOOT CAMP	ACADEME (SOCIAL ENGAGEMENT OR SERVICE LEARNING)
IDENTIFICATION OF COMMUNITY PROBLEMS	CRITICAL THINKING SESSION	NATIONAL GOVERNMENT
SOLUTION BUILDING PROCESS	DESIGN THINKING SESSION	PRIVATE SECTOR AND ACADEME

## References

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