

Tapping the Growing “Niche Social Market” in the Philippines: The Case of Good Food Community

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Abstract

Eradicating poverty in the Philippines entails more than just policies and initiatives concentrated on urban areas as two thirds of the country’s poor reside in the rural areas. Specifically, the agriculture sector is regarded as a ‘poor man’s sector’ due to low wages and high levels and incidence of poverty. As a response, both the Philippine government and the private sector have undertaken several initiatives to address the aforementioned issues. However, poverty continues to exist and the need for novel approaches to reduce and eventually end poverty is highlighted. Thus, the emergence of social enterprises is viewed as a possible mechanism to reach certain sub-sector niches which the state, private sector, and non-government organizations (NGOs) are not able to penetrate. This paper attempts to examine the role played by the social enterprises such as Good Food Community in filling the gap left by the government and civil society organizations in poverty reduction initiatives and in extending support to the marginalized and disadvantaged groups in the society. It also outlines key development administration principles mainstreamed and practiced by the Good Food Community through its promotion of community-shared agriculture.

Keywords: social entrepreneurship, development, agriculture, poverty, public value

1. Introduction

For a country like the Philippines, eradicating poverty entails more than just policies and initiatives concentrated on urban areas as two thirds of the country’s poor reside in the rural areas. The 2018 poverty incidence data show that of the 17.7 million Filipinos living in poverty, farmers comprise 31.6 percent of the total figure, followed by fisherfolks at 26.2 percent, and individuals residing in rural areas at 24.5 percent (Philippine Statistics Authority, 2020). What is quite ironic is the fact that the nation’s food producers are those that are mostly hungry. Notably, the agriculture sector is regarded as a ‘poor man’s sector’ due to low wages and high levels and incidence of poverty. Challenges faced by farmers include high cost of production inputs, low productivity, limited access to finance, and lack of connectivity and logistics. These result in an estimated 20-50 percent loss of fresh produce in transit from the farm to the

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markets, which translates to higher retail prices for consumers (JFC of the Philippines, 2016). Other factors constraining the maximization of the sector’s potential are the natural disasters that cause disruption, flawed policies, and weak institutions (JFC of the Philippines, 2016).

The Benigno “Noynoy” Aquino III administration (2010-2016) launched several efforts to support and catalyze growth in the agriculture sector, which were continued and supplemented under the presidency of Rodrigo Duterte. Private sector has likewise invested, especially in Mindanao, into the said sector to stimulate economic activity. However, poverty continues to exist and the need for novel approaches to reduce and eventually end poverty is highlighted. Perhaps an answer to such call is the emergence of social enterprises which are hybrid business models that operate in sub-sector niches which the state, private sector, and non-government organizations (NGOs) are not able to penetrate (Smith & Darko, 2014; Griffin-EL & Darko, 2014; Vu et al., 2014). In the Philippines, the main goal is the promotion of a social enterprise with the poor as primary stakeholders (SEPPS). While still in its nascent stages, the potential of SEPPS as viable alternative mechanisms for achieving pro-poor growth within the country is highly touted. The case of Good Food Community illustrates the vital role played by social enterprises in advancing inclusive growth and sustainable development at the same time.

Good Food Community mainstreams the community-shared agriculture which directly links smallholder organic farming with consumers by allowing the latter to subscribe to prepaid, local, and seasonal vegetables produced by the former and are delivered weekly to their communities. The organization’s over-all thrust is worth examining as it applies three important concepts and principles in the study and practice of development administration, namely: i) sustainable development and institutions; ii) the role of social enterprises in creating public value; and iii) the significance of social capital in poverty reduction initiatives.

Research Question

This study seeks to answer the inquiry, *“What are the essential development administration principles that have been mainstreamed and practiced by the Good Food Community as a social enterprise?”*

This paper claims that social enterprises play a vital role in filling the gap left by the government and civil society organizations in poverty reduction initiatives and in extending support to the marginalized and disadvantaged groups in the society.

Objectives of the study

In conducting this study, the author aims to attain the following:

1. To describe the current state, challenges, and initiatives by various stakeholders on rural poverty and farming in the Philippines and the community-shared agriculture model adopted by the Good Food Community, a social enterprise;

2. To evaluate Good Food Community's strategy and efforts vis-à-vis development administration principles and concepts such as sustainable development and institutions, the role of social enterprise in creating public value, and the significance of social capital in poverty reduction; and
3. To recommend policy options and considerations for various stakeholders including local and national authorities, civil society organizations, private sector, and social entrepreneurs in mainstreaming and advancing social entrepreneurship in the country thereby contributing to the overarching goals of realizing inclusive growth and sustainable development.

2. Theoretical Background

2.1. Sustainable Development and Institutions

Development policies during the 20th century were primarily anchored on boosting economic growth which inevitably resulted in negative effects on most ecosystems. Ehrlich and Holden (1971) perceived that the pace of population growth, technological advancement, and economic growth are the three anthropogenic forces determining environmental deterioration. Meadows (1999) expounded on the notion of (population) 'growth' by labeling it as the root cause of majority of the problems such as poverty, resource depletion, environmental destruction, and urban degradation and that subdued growth in several scenarios (and even negative growth) were/are necessary. Perhaps Ehrlich, Holden, and Meadows drew their inspiration from Thomas Malthus when the latter argued that the arithmetic increase in food supply would not keep up with the exponential growth of population, hence putting a check on the latter via food scarcity (Malthus, 1798). The fast pace of population growth along with rapid urbanization which promoted linear consumption, mostly based on resource-intensive processes, therefore placed greater strain on urban ecosystems and led to the deterioration of the living standards of urban residents, especially in least-developed and developing countries

Three significant publications had substantial contribution in shaping public perception on the growing issue of environmental degradation. R. Carson's *Silent Spring* (1962) paid attention to the reduction of biodiversity while D. H. Meadows et al. (1972) tackled the irreversible decline in both industrial growth and human population before 2100 if resource use and emissions were maintained. E. F. Schumacher's *Small is Beautiful* (1974) then dwelled on the negative side of contemporary economics as it failed to account for the people and perpetuated environmental destruction. Notably, the first internationally acknowledged initiative which mainstreamed the *environment versus development* debate was the UN Conference on Human and Environment (UNCHE) held in Stockholm, Sweden in 1972 (Bayulken and Huisingsh, 2015). The event called for concrete strategies, plans and actions for a development model which altogether incorporated economic, social, and environmental aspects. The cited debate gained more ground after the publication of the Brundtland Report as it advocated for the integration of economic, social, and environmental considerations in the world's collective push towards sustainable development and its common future (Bayulken and Huisingsh, 2015). While the report was successful in orienting the world's view toward the attainment of sustainable development, it was criticized

for its vagueness and lack of policy options specifically for planning and land use policies (Kasioumi, 2011).

Another concept that became more prominent since the 1980s was ecological modernization (EM). Langhelle (2000) distinguished EM from sustainable development by referring to the former as catering to some aspects of global issues (by reconciling economics and ecology) while the latter covers a wide spectrum of economic, environmental, and development issues, population, peace and security, and social justice. Christoff (1996) built on Hajer’s (1995) definition of EM and particularly categorized it into two forms: the weak or techno-corporatist form which seeks to address environmental concerns through technological solutions; and the strong or reflexive form which manifests general changes in institutional and economic structure of society to include ecological issues. Consequently, the United Nations in September 2015 unveiled a set of goals with an overall vision of eradicating extreme poverty in the context of sustainable development by 2030. Known as the Sustainable Development Goals (SDGs), the 17 goals and 169 associated targets define the post-2015 development agenda to lead the world toward a path of economic development, social inclusion, and environmental sustainability. These universal targets are intended to build on the gains under the Millennium Development Goals (MDGs) (Katigbak & Salazar, 2016).

Savola et al. (2010) underscored the importance of institutions in determining the development of a country when they wrote: *“political economy factors are likely to be important in influencing the quality of institutions a country is able to develop – unequal societies develop exploitative and insufficient institutions.”* The role of institutions therefore in realizing sustainable development is demonstrated as they monitor compliance of players with the established rules and policies and exercise coercion or compensation among such actors.

Perhaps Meadowcroft (2007) discussed best the concept of governance for sustainable development when he wrote:

“The idea of governance for sustainable development embodies a specific ‘steering logic’. Sustainable development is not a spontaneous social product: it requires goal-directed intervention by governments and other actors. This form of ‘steering’ does not seek to control every dimension of social life. It can accept that the future is largely unknown and unknowable, and recognise that our collective capacities to determine what is to come are limited (Meadowcroft, 1999). But even in the face of this radical uncertainty and indeterminacy human beings can try: 1) to orient society towards the attainment of desirable objectives and the avoidance of dangerous pitfalls; 2) to take action to protect groups that are especially vulnerable to the unfolding pattern of change; and 3) to re-order social institutions so that they are better placed to cope with whatever the future does bring.

In a fundamental sense, governance for sustainable development implies a process of ‘societal self-steering’: society as a whole is to be involved in the critical interrogation of existing practices, and to take up the conscious effort to bring about change. Thus it involves not only actions and policies to orient development along certain lines, but also the collective discussion and decision required to define those lines. Value choices – about the kind of society in which we want to live, about the kind of world we want to leave to posterity – lie at the heart of governance for sustainable development. At base, it is not a technical project, although technical expertise is essential, but a political project. For, while the concept indicates issues that should be of concern, its practical bearing cannot be established independent of the concrete life circumstances of a particular society and the needs, interests, values and aspirations of its members. Thus governance for sustainable development is ‘interactive’, not just in the instrumental sense that societal inputs can facilitate progress towards known objectives, but also in the deeper sense that the objectives themselves must be collectively defined, refined and re-defined” (p. 302-303).

Hence, this paper underscores the significant role of social enterprises as complementary and alternative mechanisms, alongside the state, private sector, and civil society, in catalyzing and preserving democratic, pro-poor governance for inclusive growth and sustainable development.

2.2. Bridging the Gap: The Role of Social Enterprises

In the early 1960s, the study of development administration has been focused on the efficacy and capacity of the big government to provide for the development needs of the citizens. However, a retreat of the state was witnessed by the end of 1980s with the emergence of the Washington Consensus and enhanced involvement of the market. As such, conditionalities (required by the World Bank and International Monetary Fund) such as reduced government expenditure, privatization, fiscal deregulation, and trade liberalization altogether shifted the core of public services provisioning from the Keynesian-like developmental state to the neo-liberal economic system, in which the private sector competes based on efficiency and better quality of commodities and services. This general idea of a market-like mechanism and citizens as customers were adopted by public (development) administrators and termed it as ‘New Public Management’ (NPM).

Moore and Khagram (2004) highlighted the novel expectation for privately-run businesses to contribute to the creation of ‘public value’ and the provision of social goods which are greatly produced and distributed by the government. The authors cited a ‘strategic triangle’ originally formulated for government managers to respond effectively to the demands and needs of growing customer base and stakeholders. Specifically, the three components of the triangle are: i) the public value to be created; ii) the sources of legitimacy and support for the securing of authorization and resources; and iii) the operational capabilities of an organization to achieve the desired outcome. Moore and Khagram (2004) believe that the core strategy of firms should be geared toward the attainment of legitimacy and support from “stakeholders.”

Traditionally, customers and investors are perceived as authorizers of the ‘license to operate’ of a corporation and sources of financial and material resources. However, “stakeholders” are equally significant and influential to a business’ strategy, goals, and operations. They lobby for their respective interests in various spheres – economic, social, political, and environmental. The dilemma of a shareholder and stakeholder view mainly experienced by corporate strategists thereby comes into play. Accordingly, those who ascribe to a shareholder strategy seeks to secure the legitimacy and support of only one actor which is the shareholder, while those who advocate for the stakeholder strategy argues for the formulation of “sustainable deal” among all the stakeholders in the firm. Several considerations are to be accounted for such as economic, legal, and moral or ethical for the utilization of a certain strategy. However, Moore and Khagram (2004) note that there is a blurring of lines in practice when distinguishing whether a firm is utilizing either a shareholder strategy or a “stakeholder” view. An important point therefore: the development of a company’s strategy, objectives, and activities greatly depends on its recognition of the level of influence and power of the legitimacy and support given by the “stakeholders”.

Perhaps an answer to the above mentioned call is the emergence of social enterprises. The government of United Kingdom (UK) defines a social enterprise as *“a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximize profit for shareholders and owners”* (Government of UK, as cited in Darko & Quijano, 2016). Other definitions are provided by the British Council Philippines and the Overseas Development Institute (ODI) which both highlight the business nature of such enterprises but also carry social and/or environmental objectives. Further, they are viewed as hybrid business models that operate in sub-sector niches which the state, private sector, and non-government organizations (NGOs) are not able to penetrate (Smith & Darko, 2014; Griffin-EL & Darko, 2014; Vu et al., 2014). Several studies done by ODI found that social enterprises work in three niches: a) in markets which cater to the very poor; b) in markets where innovative products, services and business approaches are introduced; and c) in basic social services which the government is unable and was never able to comprehensively provide (Smith & Darko, 2014).

2.3. Utilizing Social Capital in Poverty Reduction Efforts

Putnam (1993) refers to social capital as *“features of social organization, such as networks, norms, and trust that facilitate coordination and cooperation for mutual benefit.”* Social capital likewise serves as a complementary element in augmenting the gains brought by investments in physical and human capital and social capital. He cited regions of Italy such as Emilia-Romagna and Tuscany which have become rich due to the dynamic civic involvement of their citizens, as opposed to “uncivic regions” like Calabria and Sicily. Putnam (1993), in concordance with Coleman (1988), claims that social capital is a public good which makes it a resource available to all and one that tends to be under-produced by private agents. Hence, social capital is generated by other social activities and is transferable from one social setting to another thereby making it self-reinforcing and cumulative.

Fukuyama (2001) argues that Putnam's definition and characterization of social capital is not quite accurate as trust, networks, civil society, and the like are all by-products of social capital itself but do not make up the latter. He also challenged the notion of social capital being underprovided by private agents as rational individuals would seek to create some semblance of such capital thus generating it as a private good. For Fukuyama (2001), social capital is appropriately defined as "*an instantiated informal norm that promotes co-operation between two or more individuals.*"

In terms of the positive relation between social capital and economic development, Putnam (1993) outlines three main reasons: a) networks of civic engagement foster sturdy norms of generalized reciprocity; b) these networks also facilitate coordination and communication and amplify information about the trustworthiness of other individuals; and c) these networks embody past success at collaboration, which can serve as a cultural template for future collaboration. Studies around the world also show that social capital is a crucial factor in promulgating rural development through robust network of indigenous grassroots associations. Examples in East Asia and in advanced Western countries illustrate the significance of social capital, aside from physical and human capital, in fostering economic progress and stimulating long-term development (Putnam, 1993). Evidently, social capital can serve as a complementary, alternative, and viable mechanism to reducing poverty in impoverished communities and to spurring inclusive growth and sustainable development.

3. Review of Related Literature

This section is divided into two segments: a) Rural Poverty and Farming in the Philippines: Current State, Challenges, and Initiatives; and b) Social Entrepreneurship in the Philippines.

3.1. Rural Poverty and Farming in the Philippines: A Snapshot from 2010-2016

The agriculture sector is regarded as a "poor man's sector" due to high poverty indices and large economic inequality in agricultural areas. The sector has recorded disappointing performances reflected by a 1.1 percent growth in 2013. Total factor productivity (TFP) growth has also remained at 0.2 percent annually over the past 20 years (ADRI, 2015). Philippine agricultural exports, in spite of modest improvements, are still one of the lowest shares (at 10 percent) of the global export market for agriculture, compared with its ASEAN peers (ADRI, 2015).

The agriculture sector only accounts for 10 percent of GDP and has measly grown by an average of 1.3 percent from 2010 to 2015. While it contributed a smaller portion compared with the services sector (60 percent of GDP in 2014), almost one third of the country's labor force (12 out of 38 million in 2013) are employed in the agriculture sector. These farmers earn low wages with just enough for their subsistence, making them part of the 73 percent of the poor residing in the rural areas (JFC of the Philippines, 2016). As agricultural production remained flat in 2015 registering 0.11 percent (from PhP799 billion in 2014 to PhP789 billion last year), farmers and fisherfolks are subjected to the highest incidence of poverty (around 38 percent) from 2005 to 2015 (JFC of the Philippines, 2016).

Challenges faced by farmers mostly pertain to the supply chain such as high cost of production inputs, low productivity due to unavailability of machines, limited access to finance, and lack of connectivity and logistics. These result in an estimated 20-50 percent loss of fresh produce in transit from the farm to the markets, which translates to higher retail prices for consumers. This does not bode well for Filipinos as the country has the highest share of total consumption of food among regional peers. Also constraining the maximization of the sector’s potential are the natural disasters that cause disruption, flawed policies which discourage investors, and weak institutions which hinder the effective provision of local extension services and agricultural support offices (JFC of the Philippines, 2016).

Another key issue that must be resolved to successfully realize a modern, productive and pro-poor agriculture sector is the inadequate infrastructure. Investments can be poured into farm-to-market roads, post-harvest processing facilities, sanitary and phyto sanitary (SPS) inspection facilities, food terminals, cold storage, and food processing factories. The irrigation infrastructure gap must also be addressed as only 57 percent (1.7 million hectares of the 3.0 million hectares) of the total irrigable area receives irrigation (JFC of the Philippines, 2016). Lastly, the extension services provided to farmers can be rationalized due to its fragmented nature as evidence by 1,891 publicly funded agencies and municipalities having extension function and resources.

Under the Aquino Administration, the Department of Agriculture (DA) implemented several programs and activities to address the previously cited challenges. First, DA moved to invest more in public goods, especially rural infrastructure. In 2011-2015, DA strived to improve physical access to markets, building around 6,600 kilometers of farm-to-market access roads and nearly 220,000 hectares of service area for irrigation. It also launched a geo-tagging project that monitors land conditions before, during, and after government projects have been implemented. Meanwhile, DA discontinued subsidizing seeds and fertilizers across the country (except in calamity areas) because Secretary Alcala claims that it has long been used by farmers but its effect has not been felt by them (Guerrero, 2016).

The Department also implemented a value-chain approach in crop diversification and the Philippine Rural Development Project (PRDP), which will expand farmers’ market access and improve competitiveness of their outputs. PRDP is a six-year program that seeks to make the agri-fishery sector modern, climate-smart, and market-oriented by the end of 2018. One of its activities is to identify champion crop/s for every province, which will serve as input for the formulation of a location and commodity-specific investment plan (Guerrero, 2016). Furthermore, DA launched credit facilitation activities to expand formal farm credit coverage. It reintegrated the three pillars of rural finance: credit, insurance, and guarantee. The Philippines is currently disease-free in the livestock and poultry sectors. Major pests and diseases such as Avian flu, Peste des Petits Ruminants, and Food-and-Mouth Disease have been controlled, if not eliminated (Guerrero, 2016).

On the other hand, Habito (2012) writes about a case study of six private firms that have successfully ventured and operated in the conflict areas of the Autonomous Region in Muslim Mindanao

(ARMM). Three of which are: a) the Unifrutti Philippines, Inc. (UPI) which invested in a banana plantation and packing house in Maguindanao; b) Agumil which expanded its palm oil investments in Sultan Kudarat and Maguindanao; and c) BJ Coconut Oil Mill which is the one of its kind in ARMM. Despite initiatives by both the government and the private sector, poverty levels and incidence remained high and unequal development continues to persist.

In this regard, what are the possible alternative mechanisms, approaches, vehicles or practices which can be effectively utilized to spur inclusive growth and sustainable development thereby reducing poverty especially in the rural areas? The critical role of social entrepreneurship is thus clearly illustrated.

3.2. Social Entrepreneurship in the Philippines

The Institute of Social Entrepreneurship in Asia (ISEA), headed by Lisa Dacanay, has underscored the importance of social enterprises in pursuing inclusive growth and sustainable development in the Philippines by calling for the promotion of a social enterprise with the poor as primary stakeholders (SEPPS). Specifically, the Senate Bill No. 1496, or the Poverty Reduction through Social Entrepreneurship (PRESENT) Bill, describes SEPSS as *“a social enterprise which explicitly declares and pursues poverty reduction/alleviation or improving the quality of life of specific segments of the poor as principal objective. A SEPPS engages and invests in the poor to become effective workers, suppliers, clients and/or owners, and/or ensures that a substantive part of the wealth created by the enterprise is distributed to, or benefits them. In addition to reinvesting its surplus or profits back to the enterprise to sustain the fulfilment of its social mission, a SEPPS also uses its surplus or profits and mobilizes other resources to assist the poor to become partners in SE or value chain management/governance and to become partners in community, sectoral and societal transformation”* (Senate of the Philippines, 2020, p. 3).

Aside from ISEA, other organizations committed to advancing the plight of SEs in the country include the Philippine Social Enterprise Network (PhilSEN), the Poverty Reduction Through Social Entrepreneurship (PRESENT) Coalition, Gawad Kalinga Community Development Foundation, Cebu Chamber of Commerce, Social Enterprise Development Partnerships, Inc. (SEDPI), Peace and Equity Foundation (PEF). The Department of Trade and Industry and the Asian Development Bank have likewise launched initiatives and projects to support the development of SEs. Due to the work of these actors and other stakeholders, it was estimated in 2007 that there were 30,000 social enterprises in the Philippines, majority of which resemble themselves as cooperatives and associations (Dacanay, 2013). More recently, private-initiated cooperatives have generated wealth among the marginalized groups. Microfinance institutions has likewise been instrumental in cultivating the social enterprise movement. Successful SEs in the Philippines include the likes of Human Nature, Hapinoy, and Rags2Riches.

In terms of niches, the thrust of social enterprise community in the country is on markets which support the very poor. Accordingly, many social enterprises in the Philippines are producer-based organizations, operating with low-income and disadvantaged groups of producers and suppliers. The main objective of SEs working across these sectors is better prices for producers and greater market access.

However, there has been a confusion and overlap between the programs of social enterprises and NGOs, especially in the agriculture sector, with the re-modelling of some NGOs as SEs despite the lack of clear shift in their business strategies (Darko & Quijano, 2015).

An example of a social enterprise that has gained considerable success in contributing to the poverty reduction and inclusive growth initiatives of various national, local, and international actors and stakeholders is the Good Food Community.

4. Analysis

Founded in 2011, Good Food Community advocates for the nurturing of “a sustainable society that nourishes everyone – you, the farmers, the land and generations to come. The multiple crises of our age serve as an invitation to evolve a new system and culture – one that puts the planet and people first” (Good Food Community, n.d.). The organization believes that a sustainable society is attainable through a community shared agriculture (CSA) approach. Otherwise known as community-supported agriculture, CSA is a sustainable alternative, locally-based agriculture and food distribution model that advances smallholder organic farming by allowing consumers to subscribe to prepaid, local, and seasonal vegetables delivered weekly to their communities. In this type of arrangement, farmers can purchase seeds, transplants, and other inputs necessary for the growing season, and compensate their farm labor without waiting for the post-harvest period to collect revenues.

By paying for a share which materially comes in the form of the farm produce, consumers basically shoulder the risk of crop failure, pest and disease concerns, and poor quality of crops. In essence, consumers acknowledge the fact that a refund is unavailable if no crops are harvested and that the financial support will serve as a vital mechanism for farmers to continue organic farming despite setbacks and headwinds. More importantly, Good Food Community believes that “if we can connect socially aware city-dwellers with small holder farmers in a re-localized food economy, we will make farming more sustainable, conserve and protect our soil resources and build the health of our communities” (Good Food Community, n.d.).

Presently, the organization coordinates a network of more than 60 smallholder farmers from Capas Organic Farmer Producers Cooperative (Tarlac City, Tarlac Province), La Organica and Chico River Organic Producers Cooperative (La Trinidad, Benguet Province), Barangay Labney (Mayantoc, Tarlac Province), Sitio San Ysiro (Antipolo), and Coromina Forest Cottage (Benguet Province, Luzon) to directly provide fresh produce weekly to its over 90 subscribers in Metro Manila (Good Food Community, n.d.). The packages range from a span of four to twelve weeks and would cost from PhP1,050.00 to PhP5,810.00, which are above market prices. Aside from directly linking smallholder organic farmers to conscious consumers, Good Food Community is also involved in raising funds for the Learning & Accreditation program for partner farmers which will lead them to acquire the necessary skills, tools, and practical knowledge to sustain their farms, efficiently manage their agribusiness, and exercise a sustainable lifestyle hence positively impacting their own communities (Good Food Community, n.d.).

The case of Good Food Community is examined in this section through the application of three essential development administration principles: 1) Sustainable Development and Institutions; 2) The Role of Social Enterprises in Creating Public Value; and 3) Utilization of Social Capital in Poverty Reduction Initiatives.

On Sustainable Development and Institutions

Good Food Community's main action of raising the level of recognition and acceptance of organic farming among the Filipino consumers underlines the organization's cognizance of the need to mainstream sustainable development and the triple bottom-line (people, planet, profit) approach across all sectors/industries within the country. The organization contributes to attaining social justice by targeting farmers, who are widely considered poor and marginalized in the Philippine society. Next, Good Food Community practices ecological soundness by partnering with farmers in using organic techniques which mean less carbon emission and more efficient use of natural resources. Lastly, the organization's position as willing and committed middlemen between producers and consumers ensure farmers of their stable income and relieves them of logistical and market access concerns. Hence, Good Food Community's initiative of promoting smallholder organic farming within a small yet growing number of subscribers certainly contributes to the overall purpose of heightening the intensity of consciousness among Filipinos about sustainable development.

On The Role of Social Enterprises in Creating Public Value

Even though labeled as hybrid models, social enterprises like Good Food Community can still be considered as leaning toward the private sector sphere since their primary purpose is to generate profit through selling products to individual customers while simultaneously pursuing social and/or environmental objectives. Good Food Community may also be considered a private sector enterprise because of its ability to "exit" anytime and is held liable only to its subscribers. When viewed via the strategic triangle, it can be said that the organization has successfully identified and articulated its public value, sources of legitimacy and support, and operational capabilities.

First, Good Food Community explicitly states in the vision that "*a sustainable society that nourishes everyone – you, the farmers, the land and generations to come*" is its overarching objective. Therefore, all actions are geared toward the realization of creating public value that focuses on nurturing a sustainable society. Second, subscribers and social impact investors are viewed by the institution as sources of legitimacy and support but given its unique position as middlemen, the farmers are also taken as important stakeholders in Good Food Community's undertakings. While customers and investors provide material and financial support, the partner farmers authorize social and political legitimacy for the organization thus giving the latter the "license to operate" within the environment they are in. Moreover, the organization is keenly aware that other stakeholders such as the local communities, local government units (LGUs), government agencies, and the environment itself are to be accounted for in formulating its strategy for producing the identified public value. Lastly, the small number of subscribers within Metro

Manila is intentionally controlled by Good Food Community because of their limited operational capabilities such as few manpower and logistical costs. This makes the operations efficient and seamless.

Further, customers are procedurally seen as shareholders but substantially stand as stakeholders. How is this so? The effort to build and promulgate social capital is hence necessary to be discussed.

On Utilization of Social Capital in Poverty Reduction Initiatives

The promotion of community-shared agriculture (CSA) that involves direct interaction between smallholder organic farmers and customers paves way for the establishment of robust networks among actors, including Good Food Community. More importantly, subscribers assuming the risks and threats of crop failure on one hand, and farmers expecting a steady flow of income for continued labor and production despite setbacks on the other hand, would certainly facilitate the raising of level of trust between these two parties and crystallize such norm. CSA advances coordination and cooperation among the farmers, customers, and Good Food Community thereby lifting boats of all three actors. Farmers benefit from the enhance market access, customers consume organic and healthy products, and Good Food Community continues to legitimately exist in its present environment while mainstreaming sustainable development. While studies have yet to be done evaluating the direct impact of the organization’s efforts on reducing poverty in the farmers’ communities, it is worth stating that its noble initiative has truly provided the support needed by the farmers and subscribers as the government, private sector, and civil society organizations failed to deliver assistance those belonging in the marginalized and disadvantaged strata of society.

5. Conclusion

The 2030 Sustainable Development Goals by the international community emphasizes the responsibility of each member state to translate global commitments into national measures and integrate sustainable development principles into the local agenda. In the Philippines, the enactment of Republic Act No. 9729 or Climate Change Act of 2009 the Republic Act No. 10174 creating the People’s Survival Fund Law are manifestations of the state’s cognizance of the need to explicitly address the issue of climate change and global warming. However, resolving the said issue of such magnitude requires the involvement and active participation of all stakeholders within the society. The significance of other institutions such as social enterprises (SE) is hence amplified.

Evidently, SE may bridge the gap and serve the niche markets that have failed to be attended to, are insufficiently being catered to, and are yet to be tapped. They play a crucial role in increasing the stock of social capital among the parties involved in a specific undertaking by promoting a hybrid model which realizes economic as well as social and/or environmental goals. Furthermore, most SEs have dedicated themselves to helping the marginalized and disadvantaged groups in the society thus contributing to a country’s universal objective of ending poverty and achieving sustainable development.

In the Philippine context, the rural areas, especially agriculture sector, are perceived as less developed compared to the urban areas, with the former having 73 percent of the poor as farmers and fisherfolks. Challenges faced by farmers mostly pertain to the supply chain such as high cost of production inputs, low productivity limited access to finance, and lack of connectivity and logistics. These result in an estimated 20-50 percent loss of fresh produce in transit from the farm to the markets, which translates to higher retail prices for consumers. The recurring El Nino phenomena and heavy typhoons also constrain the maximization of the sector's potential. Both the government, through the Noynoy Aquino administration (2010-2016), and the private sector have undertaken significant initiatives in addressing the abovementioned concerns. However, high poverty incidence in rural areas still underscore the need for novel, innovative approaches, and mechanisms. The Good Food Community's efforts may be a focus of analysis on role of social enterprises in tapping the underserved yet growing "niche social market."

Specifically, advancing the community-shared agriculture (CSA) model greatly contributes to the country's national effort of mainstreaming sustainable development into the decision making and implementation processes of all stakeholders and actors. Moreover, Good Food Community's main thrust of introducing the CSA approach into the Philippine society represents the novel expectations for privately-run businesses (though Good Food Community is mainly considered as a SE) to create public value and secure legitimacy and support from stakeholders aside from their regular customers and investors. Finally, building social capital between smallholder organic farmers and consumers is an essential condition for the successful realization of inclusive growth and a sustainable society.

6. Recommendations

In the short run, the enactment of the Poverty Reduction through Social Enterprises (PRESENT) Bill would institutionalize social enterprises such as Good Food Community as vital actors in poverty reduction and development efforts of the government. Moreover, the passing of the said bill would establish the Social Enterprise Council, as an attach agency of the Department of Trade and Industry, which will be responsible in providing training and research and in overseeing a program for enhanced market access for social enterprises. Other key features of the PRESENT Bill are finance-related which would grant SEs with tax exemptions, guarantee fund pool with non-collateral loans, special credit windows at concessional rates, and a 10 percent share of total government procurement value. The immediate enactment of the bill into law is therefore a necessary condition to mainstream social entrepreneurship in the country.

In the medium run, getting SEs off the ground entails incubating such entities through social entrepreneurship courses in learning institutions and capacity building activities for current and interested SEs. The government, along with other stakeholders, may provide support for SEs in terms of marketing and commercial development. The creation of an information network which integrates all actors and stakeholders within a dynamic, sharing, and open environment is critical in strengthening cross-sector partnerships and collaboration.

In the long run, the cultivation of locally efficient and globally competitive SEs would require more than just specific policies for social entrepreneurship. In particular, the inclusion and integration of SEs into the national and local long-term development agenda of decision-makers can bring forth increased citizen awareness and greater civic involvement of Filipino citizens in pursuing a wide spectrum of development objectives – economic, social, cultural, and/or environmental. Transforming the current economic system of the country into one that has competitive and fair markets can support SEs in carrying out their specific goals without threats of financial instability and unequal competition.

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