

coop MONITOR

A Quarterly Publication of **MASS-SPECC**
COOPERATIVE DEVELOPMENT CENTER



Recommendations of the membership clusters of MASS SPECC are now part of the movement strategic plan.



MASS SPECC consulted its members in crafting the strategic plan of the co-op movement in Mindanao.

CRAFTING OUR MOVEMENT STRATEGIC PLAN

Co-operatives around the world are recognized as a movement of people-centered enterprises owned and controlled by people who pool resources and go into business together to meet their common economic and social needs. Put simply, they are enterprises capitalized by people (members) who use and benefit from their services.

Co-operatives distinguish themselves from other enterprises by following the internationally agreed Co-operative Values and Principles, in particular, by practicing

In this Issue:

CO-OP LEADERS, MANAGERS GRADUATE FROM TESDA PROGRAM

ECONOMIC HIGHLIGHTS AND MARKET TRENDS Q1, FY2022

CO-OP STORY: A BLOOMING GARDEN BUSINESS



the democratic rule of one member, one vote. “Members share equal voting rights regardless of the amount of capital they put into the enterprise... Profits generated by co-operatives are either reinvested in the enterprise or returned to members” (ICA).

Co-operatives are not enterprises with purely economic ends. By their very nature, they have a social purpose, aiming to improve the economic and social conditions of members, including the community in which they live. We know from co-op history that the pioneers of the co-op movement did not just want to put up their own business; rather, they wanted to change the economic and social order at that time. Conditions in the Philippines today may be different, but the parallelism is the same: co-operatives in the country have still to deal with social problems like poverty, social and economic inequality, widening wealth gap, etc. For this reason, co-operatives collectively are a social movement which is defined as purposeful, organized groups working towards a common goal to achieve social change.

There is, however, nothing automatic in co-operatives being considered part of the social movement and working towards social change. Individually, they have to make this commitment and consciously demonstrate this in their organizational and business activities. Co-operatives that focus mainly on achieving financial objectives and maintaining transactional relationship with members cannot be said to be part of a social movement.

The Co-operative Movement in Mindanao

It is for this reason that MASS SPECC has been promoting consciousness of the higher purpose of the co-operative movement among its affiliates. It has been a strong advocate of the Co-operative Values and Principles and their consistent application in the business operation of the co-operative. It continues to engage its

affiliates in discussions that are meant to deepen their understanding of and commitment to the real purpose of co-operatives.

The movement vision of “**all members enjoy better quality of life**” that was approved by the MASS SPECC general assembly in 2018 is a result of these discussions. It is an articulation of what co-operatives in Mindanao clearly see as the ultimate outcome of what they are doing. It is the encapsulation of what organized co-operation means to them and what they can achieve through collective action.

In June last year (2021), the general assembly decided to concretely measure the achievement of this vision. They agreed on economic indicators and measures (income, savings and shares) to track the well-being of individual members every year, particularly members who belong to the lower income sector of the population. At the very least, no member should remain below the poverty threshold as defined by the Philippine Statistics Authority. This means that in the next 5 years, all poor members at present should have moved to the next income level. And low-income members at present should have moved to the higher income level.

MASS SPECC has developed a monitoring tool to enable co-operatives to gather the necessary information on individual members for this purpose. It is also developing a Member Wealth Building Program designed to help individual members manage their income and expenses, manage their debt, build their net worth, and become financially secure and literate.

All this may be aspirational for now but by elevating the level of consciousness of people within the movement on the higher purpose of the co-operative, coupled with practical action, co-operatives in Mindanao could become a real force for change. As the futurist and author Joel A. Barker once said: “vision with action can change the world.”

Planning for the Movement's Future

Right now, MASS SPECC is in the process of crafting the next 5-year plan. But it's not just the federation's plan. It is the strategic plan of the co-op movement in Mindanao. The process started early last year with two co-op leaders' conferences focusing on the external environment. Dr. Cielito Habito, former Socioeconomic Planning Secretary, dwelt on the macroeconomy and what is in store for the Philippine economy in the coming years.

Dr. Martin Lowery, the Chair of the ICA Co-operative Identity Committee, and the ICA Regional Director Mr. Iyer Balu focused on the issues faced by co-operatives around the world. They highlighted the importance – in fact, the necessity – of co-operatives preserving the *co-operative identity*, especially at this time when the world continues to face economic, social and environmental challenges.

This was followed by internal analysis by co-op leaders of the critical issues faced by co-operatives in the country. These issues were further discussed by the 21 membership clusters of MASS SPECC – the grouping of co-operatives located in contiguous areas that make up the basic structure of the federation's governance system. The clusters came up with specific recommendations that are the basis for



Source: <https://www.google.com/search?q=Planning>

the strategies and action agenda embodied in the movement strategic plan.

Underpinning the plan is the pursuit of growth which is defined as inclusive and sustainable. Inclusive growth means raising the pace of growth of the co-operative's business (which was disrupted by the pandemic) while creating equal opportunities for all members and ensuring that they all benefit from such growth. Sustainable growth means delivering good financial results while contributing to the protection and preservation of the natural environment.

The movement strategic plan is the basis of MASS SPECC's plan for the next five years and will serve as guide for its affiliates in crafting their own plans. This way the priorities and activities the federation will undertake in the coming years will align with those of its affiliates.
RMV



Source: <https://review.firstround.com/the-secret-to-a-great-planning-process-lessons-from-airbnb-and-eventbrite>

Co-op leaders, Managers Graduate from TESDA Program

Around 60 leaders and managers from 59 participating co-operatives have recently graduated from the Cooperative Development and Management Level IV course, the first qualification offered by the Technical Education and Skills Development Authority (TESDA) for co-ops. Scholarship for the course was provided by Coop NATCCO Party-list and the Office of Senator Juan Edgardo Angara.

The course was designed to enhance the co-op leaders' knowledge, skills, and attitudes to establish a co-operative; develop quality products and services; develop human resources; practice good governance; ensure safe and sound operation; and contribute to social, economic, and environmental sustainability.

The course was held for 111 days, spread over a period of five months, and delivered through a blended learning method, combining online sessions via Zoom and individual work involving reading assignments, screening of video materials, and accomplishing tasks asynchronously via Canvas.

"I can say I am now equipped with the knowledge and management tools in improving my performance and that of everyone in the co-op," shares Lorelee Jane C. Acodili from Ipuan Farmers Multipurpose Cooperative, who participated in the program's first batch.

"This course has not only improved my knowledge of my assigned task but also how to become an effective manager," says Ivie B. Nepomuceno from Molave Fast Credit Cooperative, who was part of the second batch.

"It is important to know how to analyze the financial statement and manage the human capital to achieve the best results," Nepomuceno adds.

Course participants came from micro, small and medium cooperatives, with at least two years of experience in co-op development work either as co-op officers or managers.

"Learning every topic online and offline is like a new investment for myself and for my co-operative," shares third-batch participant Crystel S. Pano from Nickelites Multi-Purpose Cooperative.

She adds, "I have already shared what I learned and started to make improvements in the co-operative."

The course was implemented in three batches: Batch 1 from October 11, 2021, to February 14, 2022; Batch 2 from October 18, 2021, to February 21, 2022; and Batch 3 from November 24, 2021, to March 14, 2022.

The participants learned Basic Competencies for 232 hours or equivalent to 29 days, Common Competencies for 208 hours (26 days), and Core Competencies for 445 hours (55 days).

MASS-SPECC, the largest regional federation of co-operatives in the Philippines, congratulates the graduates of the TESDA program and hopes that they would apply their lessons to strengthen their respective institutions and contribute to the development of the co-operative movement in the country.



Source: <https://wwf.org.ph/wp-content/uploads/2021/05/OPCC2021001.jpg>

This report provides co-operators with an overview of significant economic highlights and market trends in the first quarter of 2022, reflecting the profound effects of the COVID-19 global pandemic, the Russian invasion of Ukraine, and the alarming plastic pollution, among other events, in the cooperative movement and Philippine society.

3 PH CITIES JOIN THE WWF FOR A ZERO CARBON EMISSIONS PROJECT

Baguio, Makati, and San Fernando (La Union) have formed an international cooperation with the World Wide Fund for Nature (WWF) Philippines to develop action plans aimed at achieving net-zero carbon emissions. The collaboration will be part of the One Planet Cities initiative, which will be led by WWF-Philippines and the climate technology software company—Futureproofed.

Under the project, each city's local government will create more significant climate action plans in collaboration with their own city departments, inhabitants, and cities from other nations.

According to WWF, this program will boost both external and internal relationships and get cities

closer to implementing an effective climate action plan. The project is in accordance with the Paris Agreement—the international convention on climate change—and will give measures and policies on effective and cost-effective emissions-reduction actions.



Source: <https://gadgets magazine.com.ph/wp-content/uploads/2022/02/WWF.png>

BSP IS LOOKING FOR CREDIT GUARANTEE MECHANISMS FOR MICROFINANCE

"Promoting policies on guaranteed lending to low-income and small entrepreneurs would be among the core aspects of the central banks' financial inclusion agenda over the next six years," stated Bangko Sentral ng Pilipinas Governor Benjamin E. Diokno (BSP).

"Under the National Strategy for Financial Inclusion 2022-2028, the BSP will prioritize vital financial infrastructures, including guarantee mechanisms to encourage lending to the entrepreneurial poor and other disadvantaged groups," Diokno noted.

The Governor of the BSP stated that the bank will continue to collaborate with the Philippine Guarantee Corp. to develop credit guarantee programs for micro, small, and medium-sized businesses, as well as the agricultural sector.

By 2023, the central bank hopes that 70% of Filipinos will be part of the official financial system via a bank or e-money account. It also wants half of all payments in the country to be made online by the end of the year.



Source: https://media.philstar.com/photos/2022/03/12/bsp2020-03-1718-29-55_2022-03-12_00-09-55.jpg

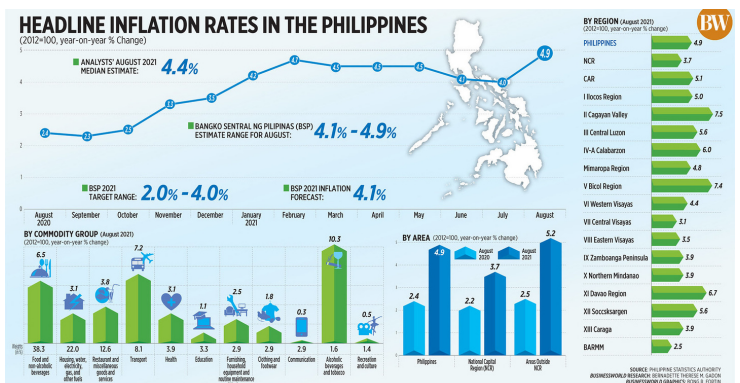


Source: https://encrypted-tbn0.gstatic.com/images?q=tbn:ANd9GcQdGjkaQg3kfoPI6MWTffZdAU1w9EizvkGFd_6-PdqomzUrtc_3lx204UspiRv3WZwRC8&usqp=CAU

FORECAST FOR PH: HIGH GROWTH, HIGHER INFLATION, HIGHER INTEREST RATES

Commodity price increases due to the Ukraine conflict may prompt the country's inflation-targeting central bank to raise interest rates by 75 basis points this year, but Philippine economic growth is still expected to outperform regional peers, according to a senior economist at investment firm CLSA.

According to CLSA senior economist Anthony Nafte, "a prolonged scenario of lofty global oil prices breaching \$120 per barrel within the next six to nine months would raise average inflation rates for Southeast Asian economies by an average of 2 percentage points this year," where inflation is said to be "volatile" in some oil-importing countries such as the Philippines.



Source: https://live.staticflickr.com/65535/51433239571_c60a342761_h.jpg

According to the economist, the BSP will hike interest rates by 25 basis points from the record-low level of 2% by mid-year, followed by a total of 50 basis points in the second semester. As import costs rise, the economist predicts that the country will still have a current account deficit, but it will be kept to less than 2% of GDP, or Gross Domestic Product.

The drop in daily new COVID-19 cases, a rise in vaccination rates, and improved mobility are all expected to help the economy, as is the next president's commitment to infrastructure spending. Nafte stated that he expects economic policies to remain consistent, particularly the government's build, build, build agenda.



GEN Z WANTS EMPLOYERS TO TRAIN THEM TO MANAGE THEIR FINANCES

Generation Z, which comprises a quarter of the US workforce and is under the age of 25, is reshaping what people expect from their employers. They are now looking for jobs that offer financial wellness training as an added benefit.

According to a new study by the Teachers Insurance and Annuity Association (TIAA), a financial services provider, 65 percent of Gen Z believe employers have a responsibility to help their employees achieve and improve their financial wellness. Older generations are divided on the subject, with half of all respondents saying the same.

Given that Gen Z reported less financial stability than older cohorts during the pandemic, it stands to reason that they would seek assistance from an authority to avoid the financial plights of Millennials—their slightly older peers.



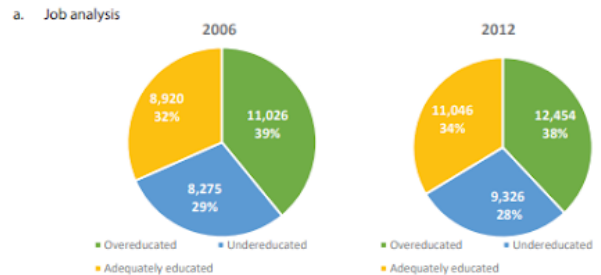
Millennials have survived two recessions, are burdened by massive debt, and have been barred from the housing market for years. Overall, Generation Z is doing better, but this is likely to change as more of its members reach adulthood.

When it comes to financial wellness, Gen Z has Millennials in the rearview mirror as more of them reach adulthood, while many of their older peers are burdened by student debt and living paycheck-to-paycheck.

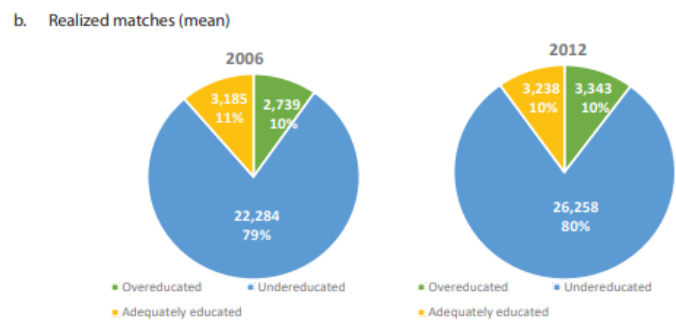
STUDY FINDINGS THAT NEARLY 40% OF PH WORKERS ARE 'OVEREDUCATED'

According to the Philippine Institute for Development Studies (PIDS), nearly 40% of employed people in the Philippines have academic credentials above and beyond what their jobs require, but they earn only 5% more for the additional education.

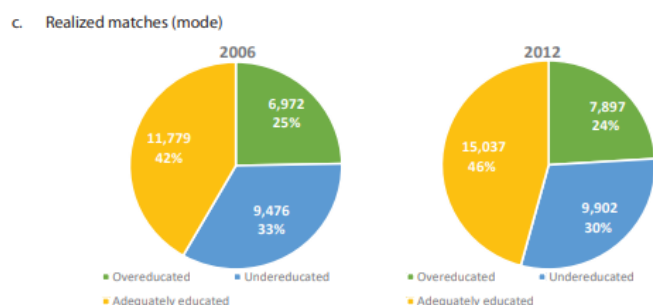
Figure 1. Proportion of overeducated and undereducated individuals



According to PIDS, 39 percent of working people are "overeducated," while a quarter are "undereducated," resulting in lower job satisfaction and "large wage penalties that signal inefficiencies in the labor market," citing a study, "Surveying the Extent and Wage Consequences of Education-Job Mismatches in the Philippine Labor Market," published in the Philippine Journal of Development in January.



Using data from 2006 and 2012, the report discovered that additional years of schooling have a lower return of 5%, compared to the 7-19% range seen for each required year of education.

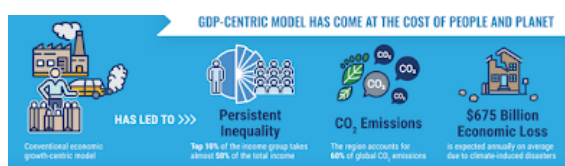


IN SOUTHEAST ASIA, NO SDGs ARE EXPECTED TO BE REACHED BY 2030

According to the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), Southeast Asia is falling behind in meeting any of the 17 SDGs (Sustainable Development Goals) by 2030.

Slow progress in SDG 4, or educational quality, has been noted, with signs of regression in inequality indices and low reading and mathematics proficiency among young students. Less than half of lower secondary students in Cambodia, Indonesia, the Philippines, and Thailand met the minimum reading and mathematics proficiency standards for both sexes.

However, according to UNESCAP, there has been some progress in Southeast Asia in the SDGs related to poverty (SDG 1), industry, innovation, and infrastructure (SDG 9), and life on land (SDG 15).



ALL STAKEHOLDERS NEED TO ACT NOW FOR A SUSTAINABLE FUTURE



According to the report, increased greenhouse gas emissions and casualties from various disasters hampered the region's efforts to achieve SDG 13, while responsible consumption and production were hampered by increased material consumption and material footprint, delaying efforts to achieve SDG 12.

PANDEMIC PUSHES SDGs FURTHER AWAY FROM THE ASIA-PACIFIC REGION

This year, 2022, marks the second anniversary of the COVID-19 pandemic, and while an end to the pandemic is in sight, it is far from over, with long-term consequences. At the same time, the 2030 Agenda for Sustainable Development is getting further away. The 17 Sustainable Development Goals (SDGs) must be used as a road map for a more equitable recovery in the region.

This year's edition of UNESCAP's Asia and the Pacific SDG Progress Report reveals three troubling trends. First, the region is losing ground in terms of its 2030 goals. With each passing year, the gaps widen: at their current rate, Asia and the Pacific are only expected to achieve the 17 SDGs by 2065 — three and a half decades later than the original target.



Source: <https://www.bworldonline.com/wp-content/uploads/2022/03/Asia-Pacific.jpg>

Second, while progress on some of the goals has been made in isolated pockets throughout the region, we are moving in the opposite direction on others at an alarming rate. Despite the fact that the climate crisis has worsened, there has been a decline in responsible consumption and production (Goal 12) and climate action (Goal 13).

Lastly, there has never been a greater need to reach those who are the furthest behind. The region's disparities are widening and vulnerabilities are increasing. Women, children, people with disabilities, migrants and refugees, rural populations, and poorer households are among the most vulnerable and disadvantaged groups as a result of our unsustainable and non-inclusive development trends.

PH CONTRIBUTES TO MORE THAN ONE-THIRD OF THE WORLD'S OCEAN PLASTIC WASTE, STUDY FINDINGS

According to a study, the Philippines is responsible for 36% of the plastic waste that ends up in the world's oceans, with the Pasig River being the leading source of plastic pollution.

According to a peer-reviewed study published in the journal *Science Advances*, the country's 466 rivers alone emit 356,371 metric tons of "mismanaged plastic wastes" each year. It also stated that Asia has the majority of the world's "largest emitting rivers," accounting for 81%, followed by Africa (8%), and South America (5.5%).

According to the study, seven of the ten rivers that contributed to plastic pollution in our world's oceans are located in the Philippines. The Pasig River is ranked as the top plastic emitter in the ocean, which "paints a very different picture than previous studies in which Asia's largest rivers – the Yangtze, Xi, and Huangpu rivers in China, and the Ganges in India – were dominant."

In terms of how plastic waste is managed in the Philippines, the Climate Change Commission...

...described the findings as "extreme concern." The global plastic problem is exacerbated as the world grapples with the COVID-19 pandemic and demand for plastic products rises.



THE DIGITAL ECONOMY IN PHL IS EXPECTED TO ACCOUNT FOR 12% OF GDP BY 2030

As artificial intelligence (AI) becomes more widely adopted by the business process outsourcing industry, the revenue of the Philippine digital economy is expected to grow to the equivalent of 12% of GDP by 2030.

According to the Trade Department, the National AI Strategy will be released in May to assist businesses with their digital transformation. According to Trade Undersecretary Rafaelita M. Aldaba, the roadmap relies on AI to maintain or improve the competitiveness of many industries and to encourage foreign investors to set up shop in the country.



AI has been adopted by 50 tech startups in the country, including those in financial technology, e-commerce, and digital health. Investments in new technology, digitalization, and innovation are also investments in resilience, sustainability, competitiveness, and long-term business growth, all of which are required as we enter the recovery phase of the economy.

THE SEC ISSUES RULES ON INTEREST RATE CAP FOR LENDING AND FINANCING FIRMS

On March 3, the Securities and Exchange Commission (SEC) will begin imposing the central bank's interest rate cap on lending and financing companies, as well as their online lending platforms (OLPs).



Source: https://media.philstar.com/photos/2022/02/01/sec2020-12-2619-13-43_2022-02-01_19-53-36.jpg

The BSP's Circular No. 1133, Series of 2021 establishes ceilings for lending companies and their OLPs' interest rates and fees. The maximum nominal interest rate was set at 6% monthly or 0.2% daily, while the effective interest rate (EIR) was set at 15% monthly or 0.55% daily for unsecured covered loans and general-purpose loans with a tenor of four months or less. Lending and financing companies will only be allowed to charge late or nonpayment penalties of up to 5% of the outstanding balance due on a monthly basis. The circular also imposes a cost cap of 100 percent on the total amount borrowed, which includes all interest, other fees, and charges—regardless of the time of time the loan has been outstanding.

TO ADDRESS THE PLASTIC OCEAN THREAT, THE WORLD MUST COOPERATE: WWF

Plastic has infiltrated all parts of the ocean and can now be found "in the smallest plankton up to the largest whale," according to the wildlife group WWF, which is calling for urgent efforts to establish an international treaty on plastics.

Plastic fragments have reached even the most remote and seemingly pristine regions of the planet: they are found in Arctic sea ice and inside fish in the Mariana Trench—the deepest recesses of the ocean.

In its most recent report, WWF sought to strengthen the case for action by synthesizing more than 2,000 separate scientific studies on the effects of plastic pollution on the oceans, biodiversity, and marine ecosystems. According to the WWF report between 19 and 23 million tons of plastic waste is washed into the world's waterways each year. In one 2021 study, 386 of the 555 tested fish species were found to have ingested plastic.



Source: https://gdb.voanews.com/981ffa70-8075-43df-a59c-106eb1e27cf7_w1023_r1_s.jpg

Separate research on the major commercially fished species discovered that up to 30% of cod in a North Sea sample had microplastics in their stomach. Once in the water, the plastic begins to degrade, shrinking to the size of a "nanoplastic," which is invisible to the naked eye.

The WWF is calling for talks to be held at the UN Environment Meeting in Nairobi from February 28 to March 2 in order to draft an international agreement on plastics. It wants any treaty to result in global production standards and true "recyclability."

CO-OP STORY: MICMA WINNER FEATURE

A BLOOMING GARDEN BUSINESS

Before he successfully established his gardening business, Ernesto used to go to Digkilaan to cultivate some farmlands with his wife Joyce and to venture into trisikad rentals. Ernesto joined MSU-IIT NMPC after his wife convinced him that co-operatives are good for them to start a business.

In 2011, they focused on gardening instead, and as farmers themselves, they felt comfortable about their new enterprise. Joyce had some experience in selling plants, and Ernesto knew how to propagate. They sold garden soil, nurseries, full-grown plants, grasses, and seeds. The garden soil came from Hinaplanon, while the fertilizer came from Izon Agrivet Supply along with various seeds.

On the side, Ernesto developed his landscaping skills, so he ventured further into designing landscapes. He was even chosen to do the landscaping for the MSU-IIT Coop Housing. The couple owes their success to the financial opportunities provided for by the co-operative. They were able to support their children to study at MSU-IIT when they were in high school and help their relatives in need.

For those who wanted to start their gardening business, their advice: “The things you really need for this kind of business are humility and hard work from the time you start planting until it matures.”



ERNESTO MONTANO
GRAND WINNER - MICRO-AGRI CATEGORY
Co-operative: MSU-IIT National
Multi-Purpose Cooperative
Micro-enterprise: NSC Flower Garden



**The Nanlimbasog Category of MICMA is open to micro-entrepreneurs who successfully started a business that is now a reliable source of income for the family. Asset size of the microenterprise should have a market value of not more than P300,000.00, inclusive of those rising from loans, but exclusive of the land on which the particular business entity's office, plant, and equipment are situated. For more info about MICMA, visit our website with this link: <https://mass-specc.coop/about-micma/>*

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