

The centrality of members



Image: MSP archives

Member democratic control. Here, members vote during the annual general assembly. Members realize the value of ownership when they actively participate in the governance system of the co-operative.

Members are at the heart of what makes the co-operative a ‘people-centered’ enterprise

MASS-SPECC has chosen for its general assembly this year the theme: *Empower Members and Live the Co-operative Identity*. For some years now, the federation has focused its attention on strengthening the co-operative identity, ensuring that the co-op growth that we are experiencing in Mindanao is consistent with the real nature and purpose of the co-operative.

This year’s theme personifies the co-operative identity with members at the center of that identity. The centrality of members after all is embodied in the Co-operative Values and Principles. The co-operative values of self-help, honesty, openness, equity and responsibility, for instance, are manifestations of character expected

of individuals who see membership in the co-operative as beneficial and uplifting. The co-operative values of equality, democracy, solidarity, social responsibility and caring for others, on the other hand, embody the realization that the co-operative is a collective endeavor of people who join hands and share resources to achieve a common goal.

These values make organized co-operation real, personal and meaningful to members.

The centrality of members is also inherent in the seven (7) co-operative principles. Principle #1 (voluntary and open membership) enunciates the fact that the co-operative is “open to all persons able to use (its) services and willing to accept the responsibilities of membership.” Principle #2 (democratic member control) emphasizes the right and obligation of members as owners to exercise control over the affairs of the co-operative. Principle #3 (member economic participation) highlights the important role members play in the business of the co-operative and in ensuring that it benefits both the present and future generation of members.

Principle #4 (autonomy and independence) ensures that

members remain in control of the organization even when dealing with external parties. Principle #5 (education, training and information) underlines the importance of educating and training members, officers, managers and staff on the workings of the co-operative so that they can “contribute effectively to the development of their co-operative.”

Principle #6 (co-operation among co-operatives) reinforces the notion that co-operatives “serve their members most effectively and strengthen the co-operative movement by working together” at various levels. Principle #7 (concern for community) reminds us that co-operatives are an integral part of the community and should work toward its sustainable development “through policies approved by their members.”

Clearly, members are at the heart of what makes the co-operative a “people-centered enterprise”; they are the reason for its being. After all, they are the main source of the capital the co-operative uses for its business as well as the main source of its income. Without members, there is no co-operative.



Image: MSP archives

The centrality of members, therefore, is a hidden truth that needs rediscovering. It is the key to redefining the meaning of growth, sustainability, and success of co-operatives.

A hidden truth

Co-op leaders focus too much on the business side, neglecting the human side

This fact is as intuitive as it is straightforward. But why is this conveniently ignored and sometimes forgotten? One reason for this is the one-sided preoccupation with the business side of the co-operative enterprise by co-op leaders and managers. Randall Torgerson of the Agricultural Co-operative

Service, USDA once observed: “A casual look at a number of co-operatives in recent years indicates that the human side has been getting insufficient attention (as compared to the business side). This educational deficiency shows up in uninformed members, misunderstandings, apathy in use and ultimately in disappointing business results. In some cases, the organization may even drift from its basic co-operative character.”

The centrality of members, therefore, is a hidden truth that needs rediscovering. It is the key to redefining the meaning of growth and success of co-operatives. In previous issues of the Co-op Monitor, we referred to the prevailing tendency of measuring co-op growth only in terms of increase in assets, loan portfolio, net surplus, and other financial indicators. This

is not sustainable, especially in the light of the increasingly competitive market environment co-operatives are operating in, and the reality of a world described by April Rinne (McKinsey & Co.) as in constant flux where there is no steady state, only constant change.

In such a world, there is one constant that co-operatives have control over – their members who are key to their resilience and long-term survival. Members are the ones who can provide continuity and stability to the co-operative. But they have to be empowered and be engaged so they become an essential part of the growth process of the co-operative. If so, such growth becomes the extension of the effort of individual members to improve the quality of their lives. RMV

Economic highlights and market trends Q1, FY 2023

This report provides co-operators with a rundown of the significant economic highlights and market trends during the first quarter of 2023 that reflected the profound impacts of economic challenges, innovations in the co-operative movement, and riveting shifts in Philippine society.

BSP approves consolidation of three cooperative banks

Source: Business World

The Bangko Sentral ng Pilipinas (BSP) has approved the consolidation of three cooperative banks and allowed a rural bank to start its operations.

The central bank approved the consolidation of Metro South Cooperative Bank, Consolidated Cooperative Bank, and Bataan Cooperative Bank to form a new cooperative lender named “One Cooperative Bank,” which began operating on Feb 27 after the BSP issued a certificate of authority on Jan 25.

In March 2022, the BSP approved the Rural Bank Strengthening Program to help boost the operations, capacity, and competitiveness of rural lenders in recognition of their role in promoting development in the countryside and financial inclusion.

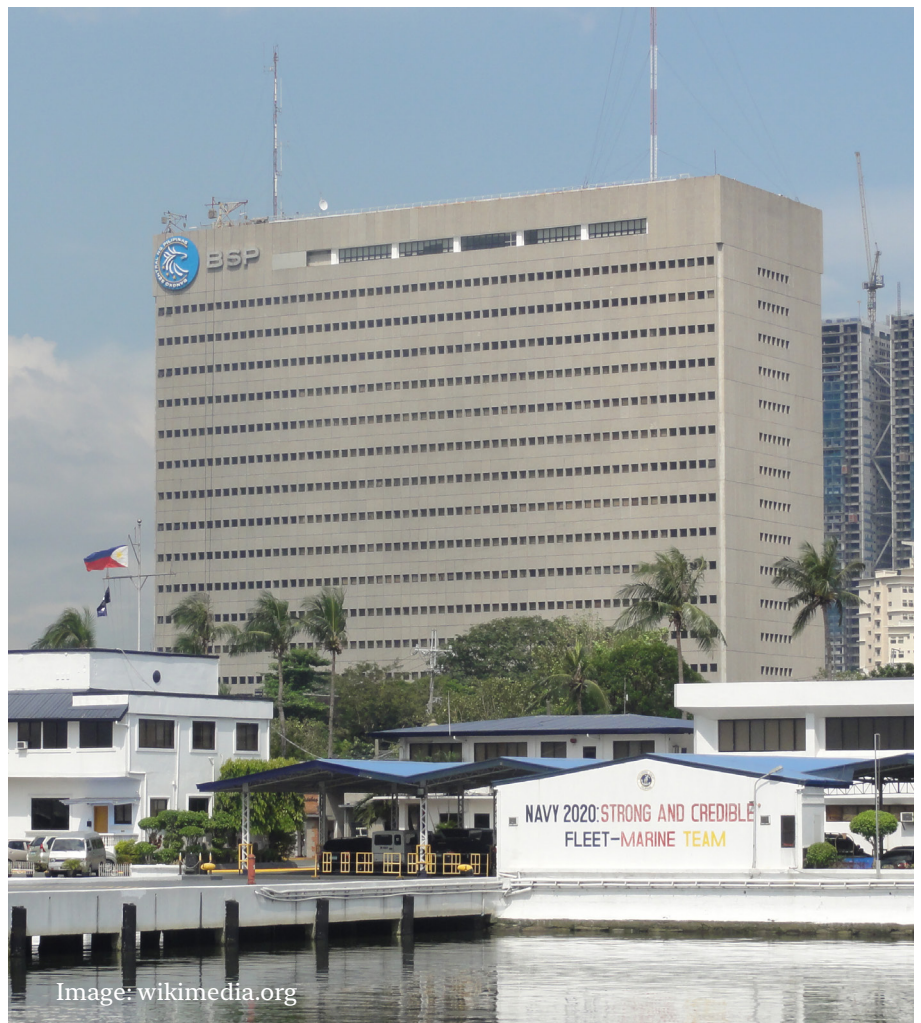


Image: wikimedia.org

Rise in ocean plastic pollution ‘unprecedented’ since 2005

Source: Agence France-Presse

Plastic pollution in the world’s oceans has reached “unprecedented levels” over the past 15 years, calling for a legally binding international treaty to stop the harmful waste.

Ocean plastic pollution is a persistent problem around the globe

— animals may become entangled in larger pieces of plastic like fishing nets, or ingest microplastics that eventually enter the food chain to be consumed by humans.

There are an estimated 170 trillion pieces of plastic, mainly microplastics,

on the surface of the world’s oceans today, much of it discarded since 2005.

The amounts were higher than previous estimates, and the rate of plastic entering the oceans could accelerate several-fold in the coming decades if left unchecked.



Image: Department of Finance

DOF expects more businesses to go green this year

Source: Business World

The Department of Finance (DoF) is confident that it can persuade more businesses to go green this year, citing the possible passage of a bill easing tax payments as well as increased promotion of available incentives.

The DoF is giving incentives to companies that employ eco-friendliness and renewable energy, as well as those that introduce new technology.

Should the proposed bill be passed, it will remove the P500 annual taxpayer registration fee, introduce a medium-sized taxpayer classification, and remove the distinction between sales invoices and official receipts for purposes of recognizing VAT transactions.

Filipino women dominate sari-sari store ownership, boost local economy

Source: Philippine Daily Inquirer

Using data from business intelligence tool Sari IQ, Packworks and Fourth Wall found that women owned 75% of the thousands of sari-sari stores surveyed.

Sari-sari stores are small retail shops selling a wide range of consumer goods, from food and beverages to household items, commonly found in residential areas across the Philippines.

The data from the study provides insights into the significant role of women in the grassroots economy of the Philippines and the importance of empowering women to participate fully in the country's economic growth.





PHL climate-resilient agri project receives \$26.2m funding

Source: Business World

The Philippines has secured a substantial amount of international funding, totaling \$26.2 million, for an extensive seven-year project aimed at bolstering the resilience of climate-vulnerable rural smallholder farmers. To further augment this grant, the Department of Agriculture and PAGASA will contribute an additional \$12.9 million in co-financing. This comprehensive initiative is expected to have a profound impact, benefiting approximately 1.25 million farmers. Through the project, these farmers will receive crucial training in climate-resilient farming techniques, risk mitigation strategies, and enterprise development, while also gaining access to vital financial resources and cutting-edge technologies.

Multi-sector group to be set up to boost financial protection from disaster risks

Source: Business World

The establishment of a multi-sector group to bolster the Philippines' financial protection against climate and disaster risks has been given the green light by a House panel. This resolution aims to address the urgent need for enhancing the country's climate and disaster risk financing and insurance (CDRFI) mechanisms, particularly for the most vulnerable sectors. As the nation grapples with the devastating impact of extreme weather events, it is imperative to provide adequate social protection to communities that bear the brunt of these calamities.

Composed of diverse stake-

holders, the multi-sector group will bring together representatives from the private sector, insurance providers, national and local governments, cooperatives, civil society organizations, and other relevant entities. The involvement of these key players will ensure a comprehensive and collaborative approach to tackling the pressing issue of financial resilience in the face of climate and disaster risks.

By pooling resources, expertise, and innovative strategies, this collective effort aims to develop and implement effective measures to mitigate the economic and social consequences of climate-related

disasters. The multi-sector group will work towards expanding access to affordable insurance products, enhancing risk assessment and forecasting capabilities, promoting sustainable and resilient practices, and advocating for policy reforms that prioritize financial protection for vulnerable communities.

Through this proactive and inclusive initiative, the Philippines endeavors to strengthen its resilience to climate and disaster risks, safeguard livelihoods, and uplift the most marginalized sectors of society.

More young consumers demand ethical products — industry executive

Source: Business World



Many young consumers today display a growing interest in understanding the origins of the products they purchase and the ethical practices involved in their production, as highlighted by an industry executive. This evolving consumer behavior represents a positive shift that has the potential to drive the industry towards adopting

more sustainable and ethically conscious approaches. A comprehensive study conducted by Kantar Worldpanel in 2017, which provides valuable insights into shopper and consumer behavior, revealed that Filipinos are gradually embracing a greater sense of health-consciousness when it comes to their food and beverage choices. Notably, an

overwhelming majority of nine out of ten Filipino consumers are even willing to pay a premium price for products and companies that prioritize environmental, social, and governance (ESG) considerations. This inclination towards supporting ESG-focused entities indicates a noteworthy consumer preference for sustainability and ethical values.

The climate crisis is coming for your children

Source: Bloomberg Opinion

The UN Intergovernmental Panel on Climate Change (IPCC) Synthesis Report doesn't just highlight intergenerational

climate injustice. It also focuses on injustice and the unequal suffering inflicted by global warming.

Between 2010 and 2020, human mortalities from floods, droughts, and storms were 15 times higher in highly vulnerable regions — typically developing countries without access to technology and other measures to mitigate and adapt to the rising temperatures.

Unless policies are more

effective, the IPCC suggests we are on track for 3.2°C of warming by 2100. It was around 5% between 1981 and 2010. If we get to 3°C by the turn of the next century, it will be 80%. Cities such as Amsterdam and Bangkok would likely disappear beneath rising seas, alongside practically all of the Maldives and Seychelles. Billions of people in the most exposed areas would become climate refugees.

Global study lists PH provinces at most risk of climate damage

Source: Philippine Daily Inquirer

Several Philippine provinces, most of them in Northern Luzon, are the most at risk of damage from extreme weather to their buildings and other property developments in about two decades.

According to the 2023 Gross Domestic Climate Risk ranking by the Sydney-based climate-change research firm The Cross Dependency Initiative (XDI), Pangasinan, Pampanga, Nueva Ecija, Cagayan, and Tarlac are the five most at-risk provinces based on their aggregated damage ratio (ADR) — or the total amount of damage to their built environment because of climate-induced disasters such as flooding and rising sea levels.

XDI defines the damage ratio as an indicator of the province's annual average loss from extreme weather damage to property. Metro Manila, Bulacan, Isabela, Davao del Sur, and Leyte round up the rest of the 10 most at-risk provinces.



Wanted: 1,000 female students keen on excelling in STEM

Source: Philippine Daily Inquirer

The Philippine Technological Council (PTC) aims to recruit at least 1,000 female senior high school students to its engineering mentorship programs, such as the “Women Engineers as Instruments for Sustainable Engineering in Renewable Energies” (Wiser Project).

It aims to encourage female

students under the STEM branch of the senior high school curriculum to take part in the growing sector of renewable energy.

The council plans to recruit an initial 1,000 female students from Metro Manila and from the cities of Baguio, Batangas, Cagayan de Oro, General Santos, Iloilo, Legazpi, Puerto Princesa, Tagbilaran, and

Zamboanga.

There is currently a significant gender gap in engineering studies in the country. According to the Commission on Higher Education, out of every 7 engineering students, only 2 are women, highlighting the need for efforts to promote gender equality in this field.



Fishermen, farmers still poorest in PHL

Source: Business World

Fisherfolk, farmers, children, and individuals residing in rural areas remained the poorest sectors in 2021, according to the Philippine Statistics Authority (PSA).

Preliminary estimates of the 2021 poverty statistics released by the PSA showed increases in all basic sectors, with fisherfolk having the highest poverty rate of 30.6%, up from 26.2% recorded in 2018. Farmers with 30% (from 31.6%) and children with 26.4% (from 23.9%) followed.

Compared to year 2018, significant increases in the poverty incidence were recorded in most of the basic sectors. Fisherfolk had the largest increase of 4.4% points. This was followed by children and persons aged 15 years and above with disability at 2.5%, and individuals residing in urban areas at 2.3%.

Lack of confidence, resources hinder filipino women's entrepreneurial pursuits

Source: Business World

Many women in the Philippines face limited economic opportunities because they lack the confidence and financial resources required to start their own businesses, according to the Global Progress for Women Report by Avon.

Over half (52%) of the Filipino women surveyed admitted to the lack of confidence being a barrier to starting a business, while a staggering 79% believe inadequate financial resources are a setback to becoming entrepreneurs.

Societal stereotypes and conventional expectations in the Philippines continue to pose challenges for women, affecting their career and financial prospects, the report said.

Globally, the most prevalent challenges faced by women in starting their own businesses were financial constraints (61%), fear of failure (44%), uncertainty about where to begin (36%), inadequate knowledge of the market (34%), and low confidence (33%).

The report also noted that 77% of women globally aspire to increase their earnings by exploring alternative income sources or progressing in their current employment.



Image: Philippine Star/Edd Gumban

Direct-sale model comes for middlemen in produce trade

Source: Business World

Market forces are a cruel master, forcing economic actors to be efficient enough to thrive even when prices are low. Sometimes, they fall too low for most producers to earn a decent living. And that is where organizations like Rural Rising Philippines (RuRi) step in.

RuRi has dedicated itself to the proposition that farm produce is unfairly priced, and that direct purchasing at higher prices and a distribution model light on middlemen might hold the key to a future where everyone in the supply chain benefits.

The husband-and-wife team that runs RuRi intended to give farmers enough leverage “to stand up to middlemen,” according to co-founder Ace C. Estrada.

Their plans include the opening of stores akin to mini-versions of a Food Terminal, Inc., a center for receiving produce from the hinterlands to systematize urban food distribution. The founders also aim to develop RuRi as a corporation, and make group members and farmers part owners.



CO-OP STORY Building success together

AGRIBEST: Empowering farmers, empowering lives



Image: MSP archives

Siblings Ariane Dawn Domingo and Elmer Domingo from Banga, South Cotabato are members of Banga Agrarian Reform Community Cooperative (BARCCO) and one of the beneficiaries of the Agri-BEST Program

AgriBEST builds financial resilience for farmers and withstands economic shocks

In the Philippines, smallholder farmers are the backbone of the agricultural sector. However, they are often marginalized and lack access to the resources needed to succeed.

The AgriBEST (Agri-based Enterprise Systems) program, launched by MASS-SPECC, is an inspiring initiative to empower smallholder farmers, develop co-operatives, and promote

sustainable agriculture.

The program recognizes that poverty is a significant issue in Mindanao and that smallholder farmers are particularly vulnerable. Through the program, farmers receive technical training, financial support, and market linkages that enable them to increase their productivity and income while also promoting environmental sustainability.

“We are happy that MASS-SPECC introduced AgriBEST to us because it really addressed our needs,” shares Sheila Marie Apacible, General Manager of Banga Agrarian Reform Community Cooperative (BARCCO).

“At present, the status of our rice farming is not good, we’re struggling, so we are looking for other ways to help our members get extra income.”

One of the key benefits of the

AgriBEST program is its focus on developing co-operatives. Co-operatives are a powerful tool for promoting economic development and social inclusion, and the program is working to build the capacity of smallholder farmers to organize themselves into clusters.

“To become part of the project, a member needs to have at least 300 sqm of land to be cultivated for rice farming and hito (catfish) production,” Apacible says.

“We are now in the second cycle of our hito production and we plan on creating a cluster for those who were successful so they can help us in the monitoring and in assisting other members,” she says.

Financial support is another key component of the AgriBEST program.





Image: MSP archives

The individuals who hold key positions in Banga Agrarian Reform Community Cooperative (BARCCO) include Director Monico Defenio Jr., General Manager Sheila Marie Apacible, and Director Juanito Bandiola.

Farmers have access to credit, government support, new technology, and even business development services.

“Hito production was challenging at first, but thank God, we were able to learn a lot from the training and now we are able to harvest already,” shares Monico Defenio Jr., a former OFW and a present member of the BARCCO Board of Directors.

“Clustering is good for us because we get inputs from individuals and we can help one another, especially in monitoring our fish pond.”

Juanito Bandiola, who has been with the co-operative for 24 years, agrees that hito production has a big potential as a source of livelihood and in addressing food security issues in the region.

“Hito requires big financing but it has a big income and it only requires a small area, compared to rice farming,” Bandiola says. “When it comes to encouraging other members, we tell them that even if they do not have prior knowledge about fisheries, as long as they are

willing to learn, they will really learn.”

Bandiola continues: “I can really see that the beneficiaries of AgriBEST are happy with the help that it has provided. Aside from them being able to provide food for their families, they receive income from it.”

By providing farmers with appropriate resources and support, the program helps to build their financial resilience and enables them to weather economic shocks.

Apacible says: “We are looking forward to our farmer-members being financially stable where they can have an extra source of income aside from planting rice. We hope they become self-sufficient. If the farmers are financially stable, they can focus on developing their lands, and at the same time they can promote peace and order in the community.”

Through its focus on empowering farmers and building sustainable livelihoods, the AgriBEST program is also contributing to the United

Nations Sustainable Development Goal (SDG) of poverty alleviation.

“We joined AgriBEST because it really is a big program that offered to us the opportunity to earn more so we could financially help ourselves,” says Ariane Dawn Domingo, a new member of BARCCO.

Elmer Domingo has the same sentiments with AgriBEST: “We have encountered many challenges with the hito business. We did not have prior knowledge when it comes to fisheries. The cultivation also took about 8 months. Despite all these, BARCCO was able to provide us with seminars and we are thankful for the help AgriBEST was able to provide us. It really made a big impact on our lives.”

By helping farmers to increase their productivity and income, the program is enabling them to lift themselves and their families out of poverty.

AgriBEST not only benefits the farmers themselves but also contributes to the overall economic development of their communities.

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