

IT'S THAT TIME OF THE YEAR, AGAIN



Photo by: MASS-SPECC

Soon it will be October again, when co-operatives around the country organize activities to celebrate their distinctive form of enterprise and their contribution to society. These activities come in various forms such as public forums, symposia and similar educational events, parades, and even sports fests. They also engage in community action initiatives like medical missions, environmental awareness campaigns, and activities like tree planting, among others.

October is officially known as the “Co-op Month.” Whether intentional or not, this dedicated part of the year serves as a reminder to all co-operatives in the country that they belong to an essential sector of the economy and that there are expectations of society that they have to meet. After all, there is a special law governing co-ops and they enjoy

Co-op Month activities include public forums, symposia, parades, and community action initiatives.

certain privileges under the law. It is also an opportunity for co-operatives to come together and reflect on their common purpose in society.

It is this common purpose, however, that is somehow lost among the flurry of activities accompanying the celebration of Co-op Month. Organized activities seem to be just that – activities that bring people together but do not close the gap that

exists among co-operatives in the country. Competition is still the norm rather than “co-operation among co-operatives.” It is for this reason that until now the co-op movement is sorely missing the support systems necessary to strengthen the position of co-operatives in the marketplace at a time when the business environment is becoming more and more competitive and highly digital. Their default position has always been to grow individually rather than as a system and this continues to be the case to this day.

This “individualism” has limited the potential of co-operatives to grow as a movement, to secure visibility and presence in the national economy, and to earn the respect of the public as responsible organizations and enterprises contributing positively to society.





Photo by: MASS-SPECC

MASS SPECC regularly gathers its members in open dialogue and conversation about issues pertinent to co-operatives.

Seeking a Common Purpose

This state of affairs characterizing the co-operative movement in the country has, at least, become a subject of conversation among co-op leaders in Mindanao. This has been made possible by the social infrastructure put in place by MASS-SPECC, allowing members of the federation to meet regularly at various levels. At the ground level, co-operatives meet regularly in cluster meetings where issues affecting them individually and as a group are discussed. When such issues need to be brought to the attention of the federation, they do so. (There are 21 membership clusters at the basic level of the federation's governance system right now.)

There are bi-annual ownership meetings where co-operatives meet at the regional level to thresh out issues, particularly those that have to be acted upon by the general membership in the annual assembly of the federation. Then there are regular co-op leaders' dialogue, co-op leaders' and managers'

forums, and similar events where external resource persons are invited to talk about economic and social issues that are important to co-operatives. In recent years, discussions have focused on the Co-operative Identity with resource persons from the International Co-operative Alliance (ICA) and successful co-operatives in other parts of the world.

The regularity of these purposive interactions and dialogue among members of the federation has somehow broken the ice of "individual interests" and created a space for collective action. The decision to pursue a common vision for the co-op movement – all members enjoy a better quality of life – is one concrete result of this dialogue. The subsequent decision to monitor the achievement of this vision with concrete measures, agreed upon by all and on a yearly basis, speaks to the growing consciousness for collective action. The data gathering for this purpose has started and the first results showing the economic status of individual members of co-operatives will come at the end of this year.

Our commitment to the agreed upon strategic goals will define the future of the co-op movement in Mindanao

At the general assembly of MASS SPECC last year, members of the federation also adopted the Co-op Movement Strategic Plan that will guide the collective pursuit of common goals in the coming years. At the heart of these goals is the ambition to achieve inclusive and sustainable growth. The strategies and success indicators to measure such growth are clearly outlined in the Plan. The achievement of the strategic goals will depend on the individual and collective effort of members of the federation and MASS SPECC itself. It will also be a measure of how far the co-op movement in Mindanao will have overcome the inertia described earlier characterizing the state of co-operatives in the country today. RMV

Economic highlights and market trends Q3, FY 2023

The following reports are a compilation of important news items gathered in the third quarter of 2023. They highlight socio-economic events and market trends that are important for co-operatives to be aware of as they have bearing on their overall development. By understanding these trends, co-operatives can adapt, innovate, and seize new opportunities to achieve inclusive and sustainable growth.



Nearly 51M Filipinos face food insecurity — UN report

Source: Business World

According to a recent report by the United Nations (UN), the Philippines stands out as a concerning hotspot for food insecurity in Southeast Asia. Over the two-year period from 2020 to 2022, the country witnessed the highest number of individuals grappling with moderate to severe food insecurity, totaling nearly 51 million people. This staggering

figure accounts for almost half of the entire Southeast Asian region's population, underscoring the gravity of the issue within the Philippines.

What's particularly alarming is that the prevalence of moderate or severe food insecurity in the Philippines reached 44.7%, marking the second-highest rate in the region, trailing only behind Cambodia. Globally, the report paints a bleak picture, revealing that 29.6% of the world's population, equivalent to 2.4 billion individuals, lacked consistent access to an adequate food supply, with a striking 900 million facing severe food insecurity.

Even more concerning is the fact that the report indicates a troubling trend. Since 2019, an additional 122 million people worldwide have

experienced hunger, casting serious doubts on the feasibility of achieving the Sustainable Development Goal of eradicating hunger by 2030. The Philippines, with approximately 5.9 million of its citizens being undernourished during the same period, ranks second in Southeast Asia for this troubling statistic.

In response to these alarming findings, the UN emphasizes the critical need for global cooperation and concerted efforts to address these challenges. Building resilience against crises and strengthening vulnerable food supply chains are vital steps towards ensuring a more food-secure future for the Philippines and the world at large.

Basic deposit account adoption surges to 22M

Source: Philippine Daily Inquirer

Government efforts to promote financial inclusion among lower-income Filipinos are showing significant progress, with basic deposit accounts (BDAs) increasing by 170% in the first quarter of 2023, according to the Bangko Sentral ng Pilipinas.

BDAs, introduced in 2018, require a low opening balance of P100 or less, have no maintaining balance, no dormancy charges, and simplified identification requirements.

They aim to serve unbanked Filipinos, especially those with lower incomes. The total number of BDAs reached 21.9 million, with deposits totaling P27 billion by March 2023.

This initiative has expanded to 158 banks, helping drive financial inclusion and aligning with the National Strategy for Financial Inclusion 2022-2028, focusing on inclusive digital finance and micro, small, and medium enterprises' financing access.



Filipinos still reluctant to use credit products

Source: Business World

The TransUnion Philippines Credit Perception Index (CPI) Study reveals that while many Filipinos have a basic understanding of credit concepts, they remain reluctant to

utilize credit products, preferring cash and e-wallets.

The study, which surveyed 1,500 respondents, highlights a low penetration of credit products such as credit cards due to factors including limited financial literacy, cultural attitudes towards borrowing, and difficulties in accessing formal credit.

Respondents were most familiar with installment payments (83%) and least knowledgeable about overdraft protection (25%).

To increase credit usage, there's a need to eliminate the stigma surrounding credit and streamline application processes, particularly

for unbanked individuals, who often rely on social media and personal networks for financial information.

Small business owners displayed greater knowledge of credit products, but there's room to improve access to alternative financial services like fintech platforms. This could empower more entrepreneurs to make informed decisions about financing their ventures and potentially boost economic growth.

By addressing these challenges and enhancing financial education, the Philippines can encourage responsible credit use, fostering economic resilience and inclusivity.

Climate nears point of no return as land, sea temperatures break records –experts

Source: Reuters

Efforts to limit global warming to 1.5 degrees Celsius (2.7 Fahrenheit) are alarmingly slipping away as nations fail to set more ambitious climate goals despite the undeniable reality of rising temperatures. In early June, as diplomats convened in Bonn to make preparations for the annual climate talks scheduled for November, global surface air temperatures not only exceeded but persisted at a staggering 1.5C above pre-industrial levels for several days.

This unsettling milestone marked the first time such a threshold had been crossed during the northern hemisphere summer.

The ramifications of this occurrence were immediate and devastating, as extreme heatwaves and record-breaking temperatures wreaked havoc in regions across the globe, including China, the United States, India, and numerous others. Climate experts are sounding the alarm, emphasizing that the

increasingly elusive 1.5C target is now a monumental challenge to attain. The recent climate talks have seen little to no progress on key issues, further exacerbating the mounting concerns surrounding the planet's climate future. Urgent and concerted efforts are needed on a global scale to reignite the dwindling hope of preserving a sustainable environment for future generations, ensuring a livable planet for all.

7 In 10 consumers want sustainable products

Source: Philippine Daily Inquirer

According to Alibaba's "Sustainability Trends Report 2023," 75% of consumers worldwide express a willingness to adopt sustainable practices, with Asian countries, led by the Philippines at 93%, showing the strongest inclination.

Emerging Asian markets averaged at 87% while developed Asian and European markets lagged behind at 66%.

The report, based on responses from over 14,000 consumers across 14 markets, identifies a lack of information (48%) and high prices of sustainable products (45%) as barriers to sustainable consumption.

Fifty-three percent of respondents prioritize convenience when making sustainable choices, emphasizing the importance of making sustainable options readily accessible.



Digital payments increase in 2022

Source: Business World



In 2022, online payments in the Philippines experienced a remarkable surge, as digital channels gained immense popularity among both consumers and businesses, driven by their remarkable speed and unparalleled convenience. The BSP (Bangko Sentral ng Pilipinas) reported in its 2022 Status of Digital Payments that online transactions constituted a substantial 42.1% of the entire retail transaction volume,

a significant increase from the preceding year's 30.3%.

The collective volume of payments soared to an impressive 4.85 billion transactions, with digital platforms playing a pivotal role in facilitating a substantial 2.04 billion of these transactions. This surge in digital payments can be attributed to the burgeoning adoption of online methods across various sectors, including merchant payments,

person-to-person transfers, and salary/wage disbursements.

This growth is in line with the BSP's strategic objective to digitalize 50% of both the volume and value of retail transactions by the end of the year. These trends clearly indicate that the Philippines' financial landscape is undergoing a significant transformation as it embraces the era of digital payments.

Philippine fintech user base projected at 59.3 Million by end of year

Source: Philippine Daily Inquirer

The number of fintech users aged 15 and above in the Philippines using mobile apps is projected to reach 59.3 million by the end of 2023,

according to consumer finance company Digido. This represents an impressive surge in fintech adoption, which is expected to encompass 72.2% of eligible users by the same year, up from 69.3% in 2022 and 64.4% in 2021. The payments sector, encompassing electronic wallets, digital banking, and bill and tax payments, will be the primary driver of fintech adoption, with an estimated 17.6% growth rate.

E-wallets have experienced remarkable user growth in recent years, with digital lending showing stable annual growth rates. This upward trajectory underscores the

growing reliance on digital financial services.

However, blockchain and cryptocurrency adoption are expected to lag behind other segments. These emerging technologies may require more time and education for widespread acceptance.

Despite these variations, Digido believes that total financial inclusion in the Philippines is inevitable in the long run. As fintech continues to evolve and expand, it has the potential to provide greater access to financial services for all segments of the population.

Biz group urges work-based training for K-12 graduates

Source: Philippine Daily Inquirer

Philippine Business for Education (PBE) is advocating for a collaborative effort between government, industry, and academia to enhance work-based training programs for K-12 graduates, boosting their employability. PBE emphasized the importance of skills readiness in addressing youth unemployment and underemployment, citing a 76% success rate in its workforce development program, which helped 222 out of 294 K-12 graduates find jobs. They urge more companies to participate in youth training initiatives, aiming to create a more inclusive and productive workforce. The Department of Labor and Employment also stressed the significance of skills training for senior high school graduates in their job prospects. This concerted approach can bridge the skills gap and drive economic growth.



The Philippines spends the highest amount of time online in Asia Pacific

Source: Philippine Daily Inquirer

The Philippines has witnessed a remarkable surge in internet usage, experiencing a significant increase in the number of hours its population spends online daily, which now

averages at around 10 hours. This surge can be primarily attributed to the substantial improvement in the country's internet infrastructure, enabling an average download speed of 81.42 Mbps.

Nevertheless, alongside this burgeoning trend come a host of challenges. One notable concern is the necessity for enhanced digital skills development. Despite the extensive time Filipinos spend online, a considerable portion is allocated to social media rather than more productive pursuits.

Another area of concern is the limited engagement of micro, small, and medium enterprises (MSMEs) in

harnessing the benefits of increased online usage. The absence of active involvement with digital payment systems hampers their ability to capitalize on the digital landscape.

In light of these challenges, there is a resounding call for the government to leverage social media as a tool for providing vital information and services. Simultaneously, the nation seeks a shift towards more productive internet utilization as a means to bridge the digital divide, ensuring that the benefits of the digital age are accessible to all.



Photo from Benjie Magalong's Official Facebook Page

Philippine mayors start anti-corruption campaign

Source: Business World

Over 100 Philippine mayors have come together to pledge their commitment to good governance, emphasizing the rule of law and human rights. In a joint manifesto, they vowed to uphold integrity, transparency, citizen participation, youth engagement, and equitable development.

The campaign also focuses on responsible use of public funds, advanced technologies, and public-private partnerships.

Baguio City Mayor Benjamin B. Magalong initiated the campaign, drawing attention to rampant corruption and emphasizing the need for public officials to prioritize

public service over personal gain.

Business groups and citizens have expressed support for the initiative, acknowledging that corruption hinders the country's progress and competitiveness.

The Philippines ranked 166th out of 180 countries in the 2022 Corruption Perceptions Index.

Enhanced OJT seen improving employability of K-12 graduates

Source: Business World

The Philippine Business for Education (PBE), a nonprofit organization, is dedicated to enhancing the on-the-job training (OJT) system with the goal of improving the employability of K-12 program graduates. PBE's program director for workforce development, Justine B. Raagas, underscores the importance of a robust OJT system

and work immersion in making K-12 graduates more attractive to potential employers.

To achieve this, it is imperative to strengthen immersion programs and incorporate private sector input, thereby enhancing students' workplace readiness. Raagas suggests extending immersion programs to at least one month,

citing PBE's YouthWorks PH project as evidence of significant employability gains through this approach. Furthermore, providing support in the form of stipends and allowances can be instrumental in keeping students engaged in OJT programs, ensuring they gain valuable skills and experiences essential for their future careers.

Governments urged to utilize education tech to address skills gap

Source: Business World

The Asian Development Bank (ADB) urges countries to embrace education technology (EdTech) to prepare their workforces for job displacement caused by rapid technological advancements.

ADB's report highlights that jobs involving repetitive tasks and codifiable roles, such as manufacturing and data entry, are at higher risk of automation.

In Southeast Asia, over half

of the workforce in countries like Cambodia, Indonesia, the Philippines, Thailand, and Vietnam are vulnerable to displacement by robots, particularly in the garment industry.

ADB emphasizes the importance of developing a robust skill set encompassing technological, cognitive, and behavioral skills through primary and secondary education.

EdTech can address learning losses, with third-generation technologies like AI and AR/VR transforming education. EdTech supports learning recovery, upskilling, and reskilling efforts.

The report underscores the need for investing in human capital to meet the demands of the Fourth Industrial Revolution, especially in marginalized and remote communities.



Temperatures seen surging as El Niño weather pattern returns – WMO

Source: Reuters

The World Meteorological Organization (WMO) has reported the return of the El Niño weather pattern in the tropical Pacific after a seven-year hiatus. El Niño is marked by warmer sea surface temperatures in the central and eastern Pacific, triggering severe weather events like cyclones, heavy rainfall, and droughts. The WMO anticipates a 90% likelihood of El Niño persisting in the latter half of 2023, with expectations of moderate strength. This development heightens concerns of potential temperature records being shattered and increased global heatwaves. El Niño can also facilitate the spread of diseases like dengue, Zika, and chikungunya. Furthermore, climate change has exacerbated extreme temperatures even in non-El Niño years.

Recent events that indicate earth's climate has entered uncharted territory

Source: Associated Press

The recent extreme heatwaves and record-breaking planetary temperatures are clear indicators of human-induced climate change. These events are not isolated but part of a broader pattern of climate distress.

The warming of the oceans, responsible for absorbing 90% of greenhouse gas-induced warming, has led to exceptionally warm ocean temperatures, marine heatwaves, and El Niño forming earlier than usual.

Wildfire smoke, previously associated with the West Coast, is now affecting the East Coast, with climate change making wildfires and smoke more intense and frequent.

Antarctic sea ice is shrinking to record lows, posing further concerns about rising sea levels.

These events emphasize the urgent need to address climate change and reduce fossil fuel use.



Nearly a third of PHL workforce expecting to switch jobs over next 12 months — study

Source: Business World

A PwC survey reveals that 29% of the global workforce, including 1,000 Filipinos, is contemplating changing jobs in the next year, primarily driven by a desire for promotions or higher salaries. In the Philippines, 35% of potential job-switchers are considering careers in engineering and construction, while 31% are eyeing hospitality and leisure.

The survey also indicates that 70% of respondents worldwide aim for a pay raise, with 59% seeking promotions. PwC suggests that the Great Resignation trend, characterized by employee restlessness, remains strong, driven by a desire for security amidst ongoing global uncertainties.

Employers are advised to

prepare for more assertive, ambitious, and demanding workers who prioritize work-life balance and overall wellbeing. As companies navigate these changes, fostering open communication and offering professional development opportunities can help retain talent and foster a positive workplace culture.

CO-OP STORY Building success together

A SHINING EXAMPLE: THE JOURNEY OF ZCGEMPCO'S SOLAR LAMPS PROJECT



Officers of the Azcuna Homeowners Association of Brgy. Mercedes, Zamboanga City. Their community is one of the beneficiaries of ZCGEMPCO Solar Lamp Project.

The Solar Lamps Project's positive impact extends beyond environmental benefits.

The Zamboanga City Government Employees Multipurpose Cooperative (ZCGEMPCO) stands as a beacon of hope, showcasing the remarkable power of community collaboration to address the pressing call for environmental stewardship. Through their transformative Solar Lamps Project, they have not only diminished their carbon footprint but have also elevated the quality of life for their cherished members.

"I am fully aware that there are barangays here in Zamboanga City

that do not have electricity, and during one of our meetings, I came up with the idea of providing solar lamps to the communities that do not have any electricity at all," shares Leonor Arebalo Aison, the dynamic manager of ZCGEMPCO.

She passionately continues: "One reason for the project is to help improve the peace and order in the city. By putting solar lamps around dark areas, we could maybe at least help eradicate illegal activities."

In the year 2021, the co-operative took its first step by procuring 100 solar lamps, thoughtfully distributing 50 in Tulungatong and the remaining 50 in Azcuna. Within a year, their commitment to progress was further illuminated when a dedicated teacher from Sta. Fe Elementary School reached out for support, requesting a solar panel to power a computer and printer for their school.

Hand in hand with fellow

co-operatives in the region, ZCGEMPCO led the charge in donating solar panels and lamps to numerous underserved areas. Aison shares the heartwarming financial aspect, saying: "The budget came from Community Development Funds and this project was also in collaboration with the Zamboanga City Cooperative Development Council. We solicited funds coming from different co-operatives in Zamboanga and out of the pooled funds, we were able to procure solar lamps and panels."

The utilization of solar lamps has surged in recent years as the world embraces the significance of renewable energy sources. The installation of these solar gems not only enriched the lives of co-operative members but also radiated positivity throughout the wider community.





Artwork by: MASS-SPECC

ZCGEMPCO installed 50 solar-powered lamps in Azcuna, Barangay Mercedes, Zamboanga City. These lamps automatically turn on during nighttime.

Community leaders strive for an eco-friendly future amid climate challenges.

However, the advantages of the Solar Lamps Project extend far beyond the economic spectrum. These luminous creations have positively impacted the health and well-being of community members, offering not only a safer but also a consistently brighter source of light.

“We, as co-op leaders, should continue to address climate change because you know here in Zamboanga City, we experienced flooding for the first time in October 2022,” Aison reflects with determination.

“We have to continue planning and implementing programs that are good for the environment, such

as planting trees and clean-up drives. Anything for the environment and for as long as our co-op could help and provide, we really give attention and time to it.”

The adoption of solar lamps has remarkably reduced the community’s reliance on non-renewable energy sources, thereby making a significant stride towards combatting climate change. This holds particular significance in the Philippines, a nation acutely vulnerable to the far-reaching impacts of climate change.

Medella Vilas, President of Azcuna Homeowners Association Inc. in Barangay Mercedes, a resettlement area in Zamboanga City, exudes gratitude and relief for the arrival of solar lamps in their community.

“We would like to thank the co-ops so much for providing us with these solar panels,” Vilas rejoices. “It did not only help in providing light on our streets but also shedding light on our livelihoods.”

The homeowners earnestly encourage fellow co-operatives to follow in the exemplary footsteps of ZCGEMPCO, extending light to households with limited or nonexistent access to electricity.

Vilas adds with warmth: “I want to thank them big for seeing us as one of the communities deserving of their help and services. A lot of the members here are thankful for the help they have provided and I will be their voice in thanking the co-operative.”

ZCGEMPCO’s Solar Lamps Project serves as an inspiring model for communities around the globe to contribute to the UN Sustainable Development Goal of environmental protection. Through unity and harnessing the potential of renewable energy sources, communities cannot only enhance their own quality of life but also lay the foundation for a sustainable future for all.

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