

**FOSTERING AN ASEAN COMMUNITY
THROUGH SOLIDARITY-BASED
COMMUNITY ENTERPRISES**

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Introduction

ASEAN in 2015 adopted the theme “Our People, Our Community, Our Vision” which reflects the overarching spirit of Malaysia’s Chairmanship, namely to create a truly people-oriented, people-centred ASEAN comprising all areas of political and security cooperation, economic growth and socio-cultural development.

In this context the Asian Solidarity Economy Council and the Global Movement of Moderates hosted a Pre Asean Summit Roundtable Discussion (RTD) on April 25, 2015 at the GMM Conference room in Kuala Lumpur

Around 60 people from various countries participated at this RTD representing government, civil society, community based enterprises, social entrepreneurs, academics and the private sector. Also participating were organisations like the ILO, UNDP (Malaysia), World Fair Trade Organisation (Asia), Pacific Asia Resource Centre Inter-peoples’ Cooperation (PARCIC), COMMACT International represented by the India chapter and ASLI Malaysia.

We had a fruitful discussion and this documentation arises as a fruit of this participatory process of sharing, deliberating and drawing out an agenda for the future of community based enterprises in the ASEAN region.

This document entitled “Fostering an ASEAN Community through Solidarity-Based Community Enterprises” is divided into three parts. Part one documents the Joint statement issued by ASEC & GMM on April 25, 2015, the executive summary of the findings, and the Seven Point Strategy for integrating community based enterprises in the ASEAN Economic Community.

Part Two is a comprehensive summary of the panel presentations and deliberations which serves as an essential resource material. And finally Part Three provides more details of the presentations especially the framework paper presented by Dr Ben Quinones.

It is important to note that the earlier ASEC publications entitled *Sowing the Seeds of Solidarity Economy* (2012) & *Developments in Solidarity Economy in Asia* (2013) document the growth and development of solidarity economy at the grassroots in this region as the people’s response to the dominant business model which marginalizes and alienates the vast majority of the people. Solidarity economy is an alternative economy that is people empowering, and promotes equitable share of economic growth as well as sustainable use of the natural resources.

It is hoped that this publication will further strengthen the academic and policy discussions on the relevance of community based enterprises as a key vehicle for the realisation of the ASEAN goal of building an inclusive, people to people ASEAN.

It is our vision that both policy makers and academics will study this document and in the coming months provide the space for the further articulation of community based enterprises as a catalyst for not just realising the goal of sustainable development but see this as a key component in building a peoples’ ASEAN

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May 1, 2015

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Thanks to all the participants especially those representing governments, civil society and community enterprises for taking time to attend the event and for their valuable inputs.

A special word of thanks to ILO for the sponsorship of flights for the ASEAN government and NGO representatives.

Deep appreciation is due to all the GMM staff for their logistic support and for GMM to host the one day RTD at their office using their facilities.

Thanks to Ms Jeannette Goon a free-lance writer for documenting the April 25, 2015 discussions and her role in the preparation of Part Two of this report.

PART ONE

-1-

BUILDING A PEOPLE CENTERED ASEAN THROUGH COMMUNITY BASED ENTERPRISES

We the organizers of the Roundtable Discussion on Fostering an ASEAN Community cooperation representing the Global Movement of Moderates (GMM) and the Asian Solidarity Economy Council (ASEC);

Having gathered on April 25, 2015 in Kuala Lumpur public and private sector leaders, civil society organizations, and social entrepreneurs in ASEAN member countries as well as international organizations to develop a South-South & Triangular Cooperation (SSTC) program aimed at strengthening the value chains of community based enterprises;

Recognizing the priorities of Malaysia as the Chairman of ASEAN 2015 for greater engagement with the peoples and stakeholders in regional community- building process, strengthening the development of Small and Medium Enterprises (SMEs) so that they will continue to prosper even as regional integration places SMEs under greater pressure to compete, and expanding intra-ASEAN trade and investment through cross-border investments and trade;

Herewith call on ASEAN Heads of State to recognise:

That grassroots, local community initiatives in ASEAN are generating community based enterprises that contribute to wealth creation, enhancing the quality of community life, and empowering people's participation in local development, environmental conservation, and responsible use of local resources in a sustainable way.

That the initiative in establishing an ASEAN Network of Community based Enterprises is in line with the eight priorities of Malaysia as Chairman of ASEAN 2015, and will enhance ASEAN people to people cooperation in addressing poverty and local sustainable development and ensure the integration of community based enterprises into the greater ASEAN Economic Community.

That the GMM-ASEC Roundtable Discussion on Fostering an ASEAN Community cooperation with the support of the International Labour Organization (ILO) has launched an ASEAN South-South and Triangular Cooperation and unanimously endorsed a strategy for developing community based enterprises and integrating them into the ASEAN Economic Community with the following priority areas for action:

- (i) In each ASEAN member country, select 3 CBEs to be monitored & evaluated so as to provide concrete data on the performance of CBEs which can be presented during the annual ASEAN Summit of Leaders.
- (ii) Train the leaders & managers of civil society organizations and social enterprises to broaden their understanding and enrich their practice on CBEs;

(iii) Establish an ASEAN Growth Fund for CBEs and attract social investors that may be interested in supporting the scaling up of CBE supply chains.

(iv) Offer formal education for CBE leaders & manager in collaboration with national universities for the purpose of instilling an ‘ASEAN community’ mindset and the collaborative way of working together.

(v) Engage policymakers at the ASEAN and member country levels in a policy dialogue with the aim of supporting the development of CBEs.

(vi) Enlist 1 Million ‘socially enterprising’ consumers from 10 ASEAN countries to patronize CBE products; and

(vii) Further develop the regional framework for an ASEAN South-South and Triangular Cooperation in developing CBEs and integrating them into the ASEAN Economic Community, specifying the programme vision, core values, and business plan.

That the ASEAN South-South and Triangular Cooperation shall foster the collaboration among Malaysia, Indonesia, the Philippines, and Thailand in extending technical assistance for the capacity building of community based enterprises in CLMV (Cambodia, Laos, Myanmar, and Vietnam) towards the realization of a people centered ASEAN Economic Community.

And that strengthening the value chains of Community based enterprises can be a major initiative in addressing poverty and inequality through wealth creation, environmental conservation and the genuine empowerment of people at the grassroots to fulfill the new targets of the Global Sustainable Development Goals.

Issued on April 25, 2015, in Kuala Lumpur, Malaysia.

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**FOSTERING ASEAN COMMUNITY COOPERATION:
Strengthening Value Chains of Community Based Enterprises**

Executive Summary Report on the ASEC – GMM RTD April 25, 2015 at Kuala Lumpur

By Dr. Benjamin R. Quiñones, Jr., Chairman, Asian Solidarity Economy Council (ASEC)

Asian Solidarity Economy Council (ASEC) & Global Movement of Moderates Foundation (GMM) hosted a one day Pre-Asean Summit Roundtable Discussion on April 25, 2015 at the GMM headquarters in Kuala Lumpur entitled FOSTERING ASEAN COMMUNITY COOPERATION: Strengthening Value Chains of Community Based Enterprises

About 60 people representing the public, private, civil society, community enterprises and academics participated from a cross session of ASEAN countries and also from India & Japan. The deliberations were very stimulating, forward thinking and grounded in both critical reflection and practical ground realities.

The main coordinators of this discussions were Dr Ben Quinones, the ASEC Chair (Philippines), Datuk Dr Denison Jayasooria, the Deputy ASEC Chair (Malaysia) and Pak Bambang Ismawan, Chair of ASEC Indonesia & Founding Chairman of Bina Swadaya Foundation (Indonesia). Ms Elaine Tan of ASEAN Foundation & Mr Asrul Daniel Ahmed of GMM participated in the official opening.

OBJECTIVES OF THE RTD

- To promote the concept of solidarity economy, social business, social enterprise and social entrepreneurship as a vehicle for community empowerment and in addressing poverty and inequality in ASEAN member countries;
- To draw policy implications in identifying the place of social solidarity economy in the action plan for Sustainable Development Goals as a post-MDG initiative;
- To discuss the possibilities of charting a cooperation road map among ASEAN member countries, civil society, academic institutions and private sector.

PRESENTATIONS AT THE RTD

Through the three main sessions resource speakers made their presentations and interventions, as follows:

Session One: Solidarity based community enterprises for ASEAN: opportunities, possibilities and challenges. Resource persons: Dr Ben Quinones, Pak Bambang Ismawan, Tan Sri Dato Michael Yeoh (ASLI-Malaysia) & Ambassador Pradap Pibulsonggram (ASEAN Connectivity Committee & Thailand)

Session Two: Case study presentations of community based enterprises. Resource persons: Ms Jun-E Tan (ISIS Malaysia), Mr Rolando Victoria (ASKI Philippines), Ms Nishimori

Mitsuko (PARCIC Japan) & Mr Christopher Chong (UNDP Malaysia). Moderated by Mr Brigido Simon Jr (ASEC Philippines).

Session Three: Proposal for ASEAN South-South and Triangular Cooperation (SSTC) in developing value chains of community based enterprises. Resource persons: Ms Christine Gent (WFTO), Dr Hezri Adnan (ISIS Malaysia) & Mr Arnelo Astillero (ICCO Cooperation)

The presentations were followed by an open forum in which participants raised queries, gave comments on the topics, and made suggestions on strategies for integrating community based enterprises into the ASEAN Economic Community.

SUMMARY OF THE RTD DISCUSSIONS

Public and private sector leaders, civil society organizations (CSOs) and social entrepreneurs participating in the ASEC-GMM Roundtable Discussion on Fostering ASEAN Cooperation held in Kuala Lumpur on 25 April 2015 learned and understood that:

- A community based enterprise is an enterprise created voluntarily by groups of citizens of a community and managed by them, and not directly or indirectly by public authorities or private companies, even if they may benefit from public/private grants and donations. Their shareholders have the right to participate ('voice') and to leave the organization ('exit'). The legal personality of CBE may take the form of cooperative, association, club or non-formal self-help group.

- Community supported agriculture (CSA) is a form of CBE where an organized group of consumers (cooperative, association, club or non-formal self-help group) is the pivotal actor, i.e. the actor around which the socio-economic system is built and developed. In CSA, the organized group of consumers enter into a friendly partnership with a group of organic producers (cooperative, association, club or non-formal self-help group). CSA promotes mutual assistance: farmers get to market their produce in advance & receive payment in advance, while consumers eat ultra-fresh food. CSA enhances deepening of friendly relationships: producers and consumers get to know each other personally; families of consumers 'adopt' the producers' farms as their own. CSA encourages learning among members of each group. CSA is relevant to the ASEAN Economic Community on the following grounds: (i) Growing urbanization in ASEAN member countries threatens food security. Urbanization and economic growth are often associated with commercialization of agricultural lands and deforestation; (ii) Green space is an important contributor to urban liveability. High quality of green space is associated with high quality of urban life; and (iii) CSA is a cost-effective means of ensuring food security as well as a natural means of sustaining green space – within the country and across the ASEAN region.

- Fair Trade is another form of CBE where the Fairtrade buyer is the pivotal actor. Although Fair Trade originated as a means of "teaching poor people to fish" instead of "giving fish", it evolved through the years as a means for achieving the MDGs. The benefits of Fair Trade include: higher price paid to & higher income for marginalized farmers, pre-financing at world market rates, price guarantee, access to training in organic farming and other technologies, long-term relationships between producer cooperatives and buyers, and increase in self-esteem of producers. Fair Trade is relevant to ASEAN Economic Community on the following grounds: (i) it creates a niche market for community based enterprises, which niche market adheres to universally accepted standards of 'fair trading' practices; (ii)

by adopting Fair Trade as a strategy and means for integrating CBS into the ASEAN Economic Community, ASEAN would accelerate the process of concretizing its people-to-people connectivity program via economic means or market mechanism. Notably, integrating both Fair Trade and CSE into the AEC will contribute to eco-tourism and growth in ASEAN travel, hotel and restaurant business, and services sector.

- Integration of CBE value chains by microfinance institutions (MFIs) is a recent phenomenon. It gradually emerged as MFI portfolios grew larger and as they ventured into agricultural financing. Large portfolios enabled MFIs to engage in bulk financing. In addition to production loans, the MFI also gives farmers a marketing loan with their paddy produce serving as a collateral. The paddy is milled and sold to institutional buyers (hospitals, schools, private companies, wholesalers/retailers) when prices of rice have gone up. CBE value chains integrated by MFIs are relevant to AEC on the following grounds: (i) Microfinance has been instrumental in empowering women; and (ii) Integration of CBE value chains managed & run by women hastens the realization of a people centered AEC.

Integration of value chains allows Microfinance institutions (MFIs) to engage in bulk financing, which reduces their transactions costs and allows them reduce interest rates on loans; and (ii) Integration of CBE value chains enables MFIs to engage in bulk financing, which reduces their transactions costs and allows them to reduce interest rates on loans.

- A socially enterprising consumer collective thriving in Atsugi city, Japan is a CBE where the working woman is the pivotal actor. Having been successful in operating a community supported agriculture, the women workers continued to face the social problem of taking care of the elderly and the children. They solved the problem by setting up elderly care centers and child care centers. Social enterprises of women workers collective are relevant to AEC on the grounds that: (i) they encourage citizens to act on their social responsibility; (ii) working women are the pivotal actors of community supported agriculture, microfinance and fair trade; and (iii) they provide dynamic power to the AEC.

-Non-formal self help groups are the initiators of rural CBEs in Indonesia. They range in membership size from 15 to 30 families that are engaged in a common economic activity. The self help group synchronizes the production schedules of members, helps in sourcing funds for operations, and facilitates the marketing of products of members. Integration of non-formal self help groups into AEC will further boost people's participation in realizing the ASEAN Economic Community.

- South-south and triangular cooperation (SSTC) implies cooperation between developing countries, whereas, triangular cooperation includes the participation of one (or more) Northern partner (i.e. developed country) supporting the alliances between countries of the South. SSTC is a partnership between equals that is guided by the principles of solidarity and non-conditionality.

SSTC is relevant to AEC in the sense that it: (i) strengthens horizontal cooperation between countries with no conditionalities, based on non-discrimination and on the sharing of information, training of human resources or replication of strategies; (ii) supports innovations that increase the productivity of local resources and/or enhance the effectiveness of development programs; (iii) enhances the adaptability/ replicability of local good practice whose features are transferable to other contexts or situations; (iv) reinforces the sustainability of SSE good practices when they are adapted and replicated in countries of the

South; and (v) helps to build CBE value chains that enhance economic diversity and resilience.

AGREED OUTCOMES/RECOMMENDATIONS

Four key outcomes and recommendations emerged from the CBE RTD namely:-

First, Endorsement of Statement of the Asian Solidarity Economy Council and the Global Movement of Moderates on “Building a People Centered ASEAN through Community Based Enterprises”

The draft statement was first read and endorsed by the ASEC workshop on the occasion of the ASEAN Peoples’ Forum on 23 April 2015 held at Wisma MCA, Kuala Lumpur. The draft statement was subsequently revised and endorsed by the ASEC-GMM Roundtable Discussion on 25 April 2015.

Second, a Seven Point Strategy for integrating community based enterprises in the ASEAN Economic Community was deliberated and adopted by the RTD. Participants reached the consensus that the seven point strategy shall be incorporated in a broader regional (ASEAN) framework for CBE development. The Seven point strategy is listed below.

The ASEAN CBE development framework should clarify the vision and core values of organizations behind the ASEAN CBE initiative and provide a business plan against which the performance of participating organizations can be monitored and evaluated.

Third, Mapping of core competences and interests of participants with respect to the seven point strategy

Having reached agreement on the seven point strategy for developing and integrating CBEs into the ASEAN Economic Community, the participants were asked to indicate their ‘primary involvement’ in only one strategic action and their ‘secondary involvement’ in another strategic action given their core competence and area of interest. The ‘primary’ and ‘secondary’ involvements also indicated the areas where the individual participant is likely to take action in the succeeding days.

Fourth, Immediate Steps: Each representative of ASEAN member countries (both government and CSO, where applicable) as well as representatives of participating international organizations were asked to indicate voluntarily the immediate steps they are willing to undertake on any of the Seven-point CBE development & integration strategy.

In response, the participants who represented their respective organizations volunteered to articulate what they believed they could do immediately to contribute towards fleshing out the Seven point ACBE development and integration strategy.

**SEVEN-POINT STRATEGY FOR INTEGRATING
COMMUNITY BASED ENTERPRISES
IN THE ASEAN ECONOMIC COMMUNITY**

The ASEC-GMM Roundtable Discussion recommended the following:

One: Each ASEAN member country selects 3 CBEs to monitor & evaluate

It was agreed that three CBEs is a reasonable target number that can be achieved within a year. The objective of choosing ‘model’ CBEs to be monitored and evaluated is to provide historical data on the performance of CBEs which can be presented during the annual ASEAN Summit of Leaders. The general sentiment of participants was that increased awareness and appreciation by ASEAN Summit leaders of the contributions of CBE to wealth creation, enhancing the quality of community life, empowering people’s participation in local development, environmental conservation, and responsible use of local resources in a sustainable way will hasten the adoption of CBEs by ASEAN as integral component of the ASEAN Economic Community.

Two: Train the leaders & managers of CBEs

An immediate step the participants committed to undertake is the training of CBE leaders and managers. To promote collaboration among national networks of civil society organizations (CSOs) and social enterprises, it was agreed that a shared calendar of training courses shall be compiled by ASEC and circulated to concerned networks.

Three: Establish an ASEAN Growth Fund for CBEs

Availability of long-term funds was cited by participants as a common constraint to the scale up of supply chains of CBEs. Short-term credit funds are not sufficient and sometimes lacking, but the absence of long-term funds poses a big constraint to the development and sustainability of CBE supply chains. It was therefore proposed that GMM-ASEC devote due attention to the establishment of an ASEAN Growth Fund for CBEs and attract social investors to support the Fund by parking some of their funds in it.

Four: Offer formal education for CBE leaders & manager to instill in them the ‘ASEAN community’ mindset

It was noted that while everyone is talking about “ASEAN” in reality the prevailing mindset of individual citizens of ASEAN member countries including leaders and executives of government agencies, private companies, and civil society organizations remain parochial and largely focused on ‘national’ or institutional interests. There is a need to develop a new generation of citizens who think and do “ASEAN”. It was, therefore, agreed that formal education courses should be developed in collaboration with interested national universities for the purpose of instilling the ‘ASEAN community’ mindset and practice.

Five: Promote policies at ASEAN and member-country levels in support of CBE development

It was observed that certain policies and programmes supportive of CBEs do exist in ASEAN member countries, but the implementing guidelines and rules need further clarity and strengthening. The promulgation of a social enterprise bill in South Korea and the current efforts to pass a social enterprise bill in the Philippines are examples of concrete steps that ASEAN member countries can learn from. It was agreed that national networks of civil society organizations and social enterprises should consistently engage their policymakers in a policy dialogue with the aim of supporting the development of CBEs.

Six: Enlist 1 Million ‘socially enterprising’ consumers from 10 ASEAN countries to patronize CBE products

The target number of 1 million ASEAN socially enterprising consumers for CBE products is a symbolic figure. There were queries whether the target was an annual one or for a definite period of 3 or 5 years. It was pointed out that the outreach of national CSO and social enterprise networks in terms of household members already run into tens of millions, for example in Indonesia and in the Philippines. It was clarified that the 1 million target is in terms of ‘ASEAN’ customers who patronize not only products of CBEs in their respective countries but also products of CBEs from other ASEAN member countries. Whether the ‘ASEAN’ CBE customers should be identified through a membership ID or some other means of verification was set aside for further discussion in the future.

Seven: Develop a regional framework for CBE development: vision, core values, business plan

PART TWO

-4-

ASEAN & COMMUNITY BASED ENTERPRISES

Setting the Agenda

By Datuk Dr Denison Jayasooria

Datuk Dr Denison Jayasooria welcomed participants to the roundtable discussion that was organized on Apr 25, 2015 by Asian Solidarity Economy Council (ASEC) and Global Movement of Moderates (GMM), to discuss the concept of solidarity economy, social business, social enterprise and social entrepreneurship as a vehicle for community empowerment and in addressing poverty and inequality in Asean member states.

The objectives of the discussion were to: 1) promote the concepts mentioned above; 2) draw policy implications in identifying the place of social solidarity economy in the action plan for Sustainable Development Goals as a post Millenium Development Goals (MDG) initiative and; 3) discuss the possibilities of charting a cooperation roadmap among ASEAN member countries, civil society, academic institutions and the private sector.

Datuk Dr Denison Jayasooria provided an introduction to the discussion, highlighting that there were representatives from the Government, civil society, as well as regional and international bodies participating in the roundtable discussion. He expressed hope that the day's discussion would be fruitful and that by 5pm the group would have come up with some concrete strategies to take the agenda forward in a systematic way.

The discussion began with welcome remarks from GMM CEO Dato' Saifuddin Abdullah, which was read by Mr. Asrul Daniel Ahmed, Head of GMM Research Unit, and Ms Elaine Tan, Executive Director of ASEAN Foundation.

Community Enterprises & Solidarity Economy

By Mr Asrul Daniel Ahmad, Research Director, GMM CEO Malaysia

The contribution of community-based enterprises have too often been overlooked. Many are still unclear about what a solidarity economy does. It is not different from other businesses, in that it provides goods and services to meet the needs of the community. But where it differs is in its philosophy. Trade businesses are driven by profit. While solidarity economy organizations place importance on profits, it is secondary. This, however, does not mean that these organizations are synonymous to charities. They still have to be practical, viable and sustainable. The difference is that they are more concerned about the way profits and surplus are produced, as well as the distribution of profits to those who have contributed eg. labor, other resources etc.

The key thing is that community based enterprises (CBEs) are concerned with raising the quality of life. It must be noted that CBEs have been around since the 19th century and there is no need to reinvent the wheel. Instead, we should leverage on what has already been tried and tested. The most appropriate action in the context of the day's discussion is to look at

how ASEAN cooperation could be enhanced through development of CBE value chains. Linking all the different community based enterprises will lead to greater and more productive strides. Developing a South-South & Triangular Cooperation (SSTC) will enhance synergy and contribute to a more moderate region.

ASEAN Foundation & the Solidarity Movement

By Ms Elaine Tan, ASEAN Foundation Executive Director

ASEAN has taken advantage of the current stability to pursue regional financial integration and is one of the fastest growing economies in the world. However, a key issue that needs to be dealt with is the divide between countries. The disparity must be narrowed, and eventually, removed in order for the 10 countries to achieve economic integration.

The ASEAN Foundation, which was established in 1997, has conducted a range of activities, some of which support the solidarity movement.

From 2007 to 2010, through partnerships with the private sector and NGOs in the Philippines, an agriculture project was undertaken. In this project, small farmers were brought directly to market, thus cutting out the middleman, and establishing a network between small farmers in the region.

Since 2005, the ASEAN Foundation has also been working with Microsoft to equip entrepreneurs in ASEAN with ICT knowledge, thus increasing their market value. The Foundation also established an ASEAN Corporate Social Responsibility network based in Singapore to promote CSR in the region.

Through these initiatives, the ASEAN Foundation promotes multi-stakeholder involvement in the ASEAN Economic Community and calls on all actors in the public and private sectors to work together with civil society in developing tools and action plans to support the development of a people-centred economy.

SOLIDARITY-BASED COMMUNITY ENTERPRISES FOR ASEAN: OPPORTUNITIES, POSSIBILITIES AND CHALLENGES IN ASEAN

During the first session of the RTD, the speakers highlighted current initiatives that have been conducted, their benefits and challenges, as well as provided suggestions for how to take these further. This session was moderated by Datuk Dr Denison Jayasooria (ASEC Deputy Chair)

Fourfold Solidarity Enterprise Prototypes: Lesson for ASEAN

By Dr Benjamin Quinones Jr (ASEC Chair)

Community-based enterprises is a strategic component of a people-centred Asean. Civil societies hold the responsibility for bringing this concept into dialogues, ensuring that development and roles of this sort of enterprise are highlighted.

A community-based enterprise is normally created by voluntary groups and is managed by the people, rather than by public authorities or private companies. They should be self-sustainable but may also benefit from grants or donations. Some prototypes of this kind of enterprise include:- community supported agriculture, fair trade, microfinancing and social enterprises run by women.

Community supported agriculture, as its name implies, requires the consumers to be the pivotal actor. They organize themselves, visit community farmers and arrange to buy all their produce. The farmers obtain information on the tools and resources that they require, and the consumers pay for these in advance. The consumer also arranges transport and might have retail shops. There are mutual benefits that can be derived from this arrangement. Consumers want to have fresh food, while farmers only produce what the customers want to buy. Prices are decided mutually. Thus, there is no wastage as farmers receive funding from their consumers and are able to sell all their produce. While at the same time, consumers obtain fresh produce at cheaper prices. There is a lot of synergy between consumers and producers.

With **fair trade** the producers are from undeveloped countries, while buyers are normally from developed countries. This method creates opportunities for economically disadvantaged producers as they obtain pre-financing, as well as a guarantee of sales. They also obtain access to training and develop long term relationships with their buyers. Fair trade targets small producers and at the same time has a required level of accountability and transparency. Producers have to reveal structure and processes. At the same time, there are principles and standards to follow eg. no child labor, commitment to non-discrimination, good working conditions, respect for the environment.

Microfinancing is a relatively new phenomenon but some microfinancing institutions (MFI) have become large in countries such as Indonesia and the Philippines among ASEAN member countries. Some have even progressed into long term financing and provide this at all levels of the supply chain. For example, instead of providing only production loan, they also provide marketing loans. The MFI may pay the suppliers directly to supply tools and resources to farmers, incorporate crop insurance coverage into the production loan, or provide post-harvest facilities. In this manner, farmers are assured of affordable credit and are also

provided with access to training. At the same time, the MFI builds their loan portfolio, while consumers obtain quality produce at fair prices.

Social enterprise of women workers consumer cooperative is interesting in that the consumers are also the business owners. Like a consumer cooperative, the business is set up through community funding ie. the consumers pay for services or goods and the money is channelled into the business. The benefit of this is that social needs can be met through citizen initiatives ie. they are empowered to solve their own problems.

There is a need for ASEAN citizens to think this way ie. take responsibility and take action. There will come a point in time when the Government sees the citizens taking these actions and eventually develop the appropriate policies to support the citizens' initiatives. Citizens must take actions that geared towards achieving a people-centred ASEAN.

Moving forward, there should be monitoring and evaluation of at least three community based enterprises in each country. Statistics obtained can be presented to the respective governments in order to obtain support for the good initiatives being conducted. Further training should also be provided to leaders and managers of community based enterprises, as well as the development of a growth fund specifically for these. Most vital is the need for an "Asean community mindset". Currently, citizens of each country consider only their own community and society. There is a need to produce people who "think Asean", who will support regional initiatives, rather than merely those in their own country.

Bina Swadaya Foundation- A Role model for ASEAN

By Pak Bambang Ismawan (ASEC Indonesia)

The Bina Swadaya Foundation was started in 1967 and has always been engaged in the business development within communities. The three focuses for the Foundation's activities are: 1) Developing community-based production and businesses, 2) Developing microfinance services, and 3) Developing community-based self-help organizations.

Some of the community based produce includes virgin coconut oil, red fruit, Louhan fish, and so on. These products are highlighted in the Bina Swadaya magazine that was distributed during the presentation. The strategy for developing products of community based enterprises consist of the following actions: 1) Cooperate with research institutes; 2) Get the enterprise and product published in magazines and books; 3) Conduct training and consultation; 4) Undertake market promotions through Agro Expo; and 5) Manage Agricultural Shops and distribution units.

There are four types of microfinancing service models in Bina Swadaya: 1) Savings-led Integrated Microfinance which capitalizes on funds mobilized from members of self-help institutions; 2) Credit-led Integrated Microfinance, which gets its funds supplied through Bina Swadaya (adapted from the ASA model in Bangladesh); 3) Micro banking for rural areas; and 4) Linkage Banking Model, a collaboration project between NGOs such as Bina Swadaya and banking institutions in Indonesia with policy support from Bank Indonesia, the country's central bank.

Micro-entrepreneurship will grow further if there were more microfinancing options provided. This would be a good thing as it would result in an economically active society,

even if they may be considered “poor”. If banking institutions provided more funding, there would be a large number of microenterprises that can be reached out with microfinance in less-banked areas.

Self-help organizations are designed based on Bina Swadaya’s experiences in the community. The number of members in each group is limited as there is a necessity for regular meetings. These groups act as a vehicle for learning and teaching, problem identification, decision making and resource mobilization.

Operations conducted by these organizations must be done with open-mindedness ie. members must be open towards new ideas and cooperation, as well as take a democratic and income generating orientation. These self-help institutions (SHI) are made better with the help of facilitators. These facilitations have five directions ie. HR development, institution development, capital formation, business development and networking. Facilitation is intended towards providing technical assistance in order to improve self-reliance of the SHI. Facilitators are meant to act as motivators and communicators, and require proper training in order to ensure that they are committed and competent.

Thus, Bina Swadaya has established training centres to provide training for facilitators, teaching them ways to create and develop SHI. These SHI are set up based on community needs and problems that have been identified. Much impact could be created if existing challenges were overcome.

Other ways to increase impact is to have collaborations with different organizations. Further networking and cooperation will allow scaling up of Bina Swadaya’s activities. The organization wishes to ensure that efforts are not just communal or national, rather that it reaches the regional and global levels. Bina Swadaya sees its role as an organization that produces social value, social empowerment and economic development.

An issue to consider is the social entrepreneurship ecosystem and how banking institutions, research institutions, as well as civil societies can work with each other to create impact. There is a need for synergy between all these different parties.

There are many villages throughout the country of Indonesia. If village-owned companies could be created in all these villages, there will no longer be a need for villagers to go to the cities to look for jobs. There will be concurrent development throughout the country, rather than at various city centres.

Potential of Community Enterprises for ASEAN

By Tan Sri Dato’ Dr Michael Yeo (CEO, ASLI)

There are many examples of community-based enterprises in Malaysia. In the past, cooperatives have been quite successful but these experienced financial crises when there was a massive withdrawal that amounted to more than the deposits. It would be useful to learn what went wrong that led to the collapse of many coops during that period. Currently, Malaysia is promoting the setting up of social enterprises. The Ministry of Finance has set up the MaGIC that has been charged with developing social enterprises. ASLI too began as a social enterprise in 1993.

Some key operating and business issues that social enterprises may face are:

- Financing issues, which is key to development;
- Regulatory and environmental issues;
- Social responsibility ie. how to ensure that the enterprise is sustainable and focused;
- Talent management ie. how to attract people and encourage them to stay. There is a need for a model that will attract human resources, as well as retain and grow them;
- Growth model ie. how the enterprise can grow as a business entity, as well as face its competition;
- Regionalization, taking advantage of ASEAN integration and forming other linkages. There is a need for the development of regional strategies and cross-border collaboration.

In order for social enterprises to thrive, they must have:

- A clear strategic vision, an idea of where to be in five years;
- A strategic business plan that takes into account vision, resources, financials, human resources and target consumers;
- Focus on cash flow and finances, ensuring that there is enough for the enterprise to remain sustainable;
- An ASEAN regional framework that will allow a platform for regional fundraising, as well as knowledge sharing;
- A focus on building communities.

People to People Connectivity in ASEAN

By Ambassador Pradap Pibulsonggram (Thai ambassador & Thai Rep in ACC)

The ASEAN Connectivity Coordinating (ACC) Committee was set up in 2010 and they drafted a master plan for connectivity. Their leader thought that there was a need for the community to be connected, specifically, in three ways: 1) Fiscal, ICT and energy; 2) Institution to institution connectivity; and 3) People-to people connectivity.

People-to-people connectivity could be an addition to the three focus pillars, that is education, culture and tourism. There are already blueprint documents for the three pillars and there is a need to create a blueprint for the possible fourth pillar ie. people-to-people connectivity.

Comments and Questions

Comment 1:

There are things that we are supporting ie a social solidarity economy and a human-centred movement. One thing that I would like to seek comments on is the issue of food security. In this room, community based enterprises are mostly focused on food supply. Would it also be important for the social solidarity economy (SSE) movement to be aware of potential threats of industrial safety of food? Should we provide advice to Government regarding the putting of the food supply in the hands of the industry / capitalism? There is a need to put a limit on industrialization of food. An SSE movement could be a possibility of alternative to industry that places an emphasis on community-based enterprise (CBE).

Comment 2:

There is no one model type of community-based enterprise. We have had so many experiences. How can we conduct research on all the different CBE? There should be a model for monitoring these over the next five years. We should also propose to conduct business in different sectors (instead of just agriculture) eg. business tourism. We should continue discussions and gain experience together.

Comment 3:

How should civil society organizations prepare to face the ASEAN Economic Community? How prepared are small entrepreneurs to face this ASEAN economy? How can social solidarity economy at the ASEAN level grow to meet the needs of the ASEAN community as well? How can we prepare to meet this challenge?

Comment 4:

There should be a framework for more connectivity and increased migration in ASEAN. In the regional framework, it's mostly about exchange of information and best practices, as well as protection for migrants. Some of the frameworks that have been addressed here are inspiring and should be expanded to include migration issues. The youth and the elderly are still able to contribute to the economy, in terms of human resources. Women issues must also be raised ie. how to prevent human trafficking, actions that can be taken to help migrants that have been abused. These issues should also be included.

While Malaysia may seem very glorious, migrant workers have a different (terrifying) experience of working in Malaysia. It is important to look at not just wealth creation and sustainability, but also human tragedy and what ASEC related groups in ASEAN countries will do to protect migrants in Malaysia. Do we see them as fellow ASEAN citizens? Or as the poor that we can exploit. It is important to bring this in as well.

Comment 5:

What is a typical Indonesian community like? What made Bina Swadaya so successful to set up self-help institutions? There are different types of communities all over ASEAN. How can we do the same in other countries?

Comment 6:

We must keep in mind that community-based enterprises should remain focused on the community. These initiatives should remain committed to supporting small scale activities within communities. They should also be very diverse and ensure inclusion in spite of language, sector, location, gender, age etc.

Comment 7:

The existence of community banks will solve the issue of access to capital and will enable the self-help groups to pool their resources. These should be monitored and the effectiveness of community banks should be shared.

Comment 8:

Training institutes and agencies that provide training to young community agents that develop self-help groups in their own community are instrumental in developing community members. Once a self-help group is formed, it tends to enter into a dialogue with other groups, which in turn form their own self-help groups. This is how groups expand laterally among the community. From experience of living in the United States, I have learned that it is possible for capitalistic countries to have socialistic communities. In many of the small

towns in the US, the people in the community put a certain amount of money into the local community farm / garden, that is run by local community members. After the harvest, the produce is enjoyed by all the community members that have contributed.

Comment 9:

In some meetings with producers, we have seen that the best way to help is to buy their product. Most of the time ASEAN is seen as weak market. How do we educate buyers? How do we provide quality feedback to the producers? How do we develop research that provides resources for small producers so that they can tap into ASEAN connectivity. How can we organize buyers so that we can provide information for the producers? There is a need to know more about best practices.

Comment 10:

Through this kind of connectivity we can work together to increase the number of women entrepreneurs and in some way, help this “left behind” group.

Comment 11:

There are many terms that have been used eg. solidarity-based economy, social solidarity economy, community-based economy. It is important to come together and develop common frameworks so that we are on the same page and are able to discuss the same thing. In the future, we should have a discussion to develop a constructive framework to move forward.

Responses:

Pak Bambang

These are very relevant questions and comments that are necessary to discuss further.

On the Bina Swadaya experience: There are many different communities but also a lot of similarities. One thing to note is that we mustn't just “teach” the community. We have to visit the community and listen to them first, that is, find out what their problems are and what kind of knowledge they already have. What is common in many communities is the spirit of working together and depending on each other (*gotong-royong*). This is vital for self-help institutions.

For research on these groups and subsequent documentation, we might consider collaboration with universities.

Food is a very important issue and defending against industrial food processing should also be included in our agenda.

The community-based enterprise approach is a good model for women as it allows them to work from home, thereby fulfilling the roles of wife and mother, while at the same time make money for their family.

Thus far, microfinancing has not been too successful in Indonesia. One of the best methods has been to collaborate with local banks and setting up programmes with them, rather than setting up independent community banks.

Datuk Dr Denison

Since the collapse of the coops, Bank Negara rules have been tightened. In Indonesia, policy is more enabling for microbanks.

Comments from SMECorp COO Isham Ishak

The Government wants to increase contributions of small and medium enterprises (SME) to the economy. The role of SMECorp is to develop and to coordinate development of SMEs. About 60 - 70% of micro-enterprises fail within the first year, while 44% of SMEs fail. If they do not get help, they cannot flourish. The Government helps these companies become sustainable. After they become sustainable, it is up to them to take it further and do social work.

There are eight areas where SMEs are facing problems:

- Innovation and technology adoption

The Government has put more than RM500mil for this. There are innovation awards, grants and loans for them to innovate and come up with better products to sell to the world.

- Human capital development

SMEs start very small and may not know about branding, packaging, marketing etc.

- Access to financing

One of the biggest problems is getting a loan to start up an SME. SMECorp has its own financing system.

- Market access

SMEs need to learn how to market their products, obtain access to markets. SMECorp has a branding programme that helps SMEs to brand their products.

- Legal and regulatory environment

The current framework needs to expand

- Infrastructure

There are many SMEs in East Malaysia that have good products but lack the resources to sell their products at a mainstream level.

- Business linkages

SMECorp links companies with potential to MNCs.

SMEs are audited and when they reach a certain rating are considered ready for exports. Money is channeled to these companies according to developmental stage of the company.

A good way to get attention is to show success stories and prove that initiatives will contribute to the economy.

Concluding statements for Session 1 by Dr Benjamin Quinones

There are a lot of recommendations and we need to incorporate them in our development programme while keeping it simple. In order to respond to the many issues raised, we need to bring the discussion back to the 7-point strategy we have just adopted where some immediate work can be done. We must look at what can be done immediately on these seven priority areas and just start doing and make quick interventions.

Since Malaysia is this year's ASEAN chair, it can take the initiative to bring the 7-point strategy to the attention of the ASEAN Secretariat. Other ASEAN member countries can also do this on their own and bring our proposal for consideration of the ASEAN secretariat. If 3-4 countries can do this, we will have a good ground to launch this. There may be issues that will arise during the process of working this out. However, we must see where our strengths and weaknesses are.

-6 -

CASE STUDIES ON COMMUNITY ENTERPRISES

During this session, presenters highlighted examples of community enterprises that had been carried out, the benefits of each, and the ways in which these initiatives could be taken further. Other participants were allowed to ask questions and provide feedback after the presentations.

This session was moderated by Mr Brigido Simon Jr (ASEC Philippines Chair).

Community Economy in Malaysia addressing poverty and low income through social entrepreneurship, social enterprise and solidarity economy initiatives

By Dr Jun-E Tan (ISIS, Malaysia)

Our research on development and environmental policy takes a broadened scope that regards sustainable development as a framework and looks at three main areas: 1) social solidarity economy (SSE); 2) how it connects to sustainable development; and 3) diversity.

Within the scope of SSE, there is a huge variety of organizations including social enterprises, self-help groups etc. but its core qualities are that it: 1) produces goods and services, and earns a substantial income from it; 2) is independent and autonomous ie. not part of market or state; 3) is accountable to its stakeholders, in terms of checks and balances to see if goals are being reached.

Sustainable development is an economic tool to improve the well being of society within the limits of the environment. It is development that meets the needs of present but safeguards Earth's life support system. Three pillars of sustainable development are economic development, social inclusion and environmental stewardship.

On linking SSE to sustainable development, it must be noted that there will be strengths when the goals are aligned. However, there are also tradeoffs eg. when a business has to make choices in times when social and economic bottomlines clash. There are already a lot of different organizations doing successful projects that can feedback into the pool of best practices.

Four case studies are highlighted here:

1) Community recycling organized by the Taiwan Buddhist Tzu-Chi Foundation Malaysia

The Foundation encourages volunteers to recycle as part of exercising their faith, as one of their eight initiatives. Community recycling stations and points are set up all over Malaysia; these are run by volunteers, who collect, sort, store and sell the items. As recycling is quite a lucrative source of income, they have managed to create quite a nice ecosystem of money

while generating positive impact on society. The stations are very family-oriented with mostly housewives and retirees running it on weekdays, and bringing their children on weekends. It adds to community-building as well.

From an environmental perspective, besides producing positive environmental impact through recycling, they also provide education to the next generation and are exposed to the whole product lifecycle. The people involved learn, while at the same time they also obtain spiritual satisfaction. Those who run the recycling stations said that it made positive difference in their lives. They keep on doing it despite not receiving financial compensation, instead gaining value in other areas. The money made from the initiative goes to the Foundation and its other charity projects.

2) Educating and financing the poor by Credit Union Promotion Club

The CUPC established and supports a credit union with the purposes of eradicating poverty and ignorance, as well as empowering local leadership. Through this initiative, they introduce financial entry points, as well as provide training and commercial help like insurance, financial literacy education, women empowerment. They conduct a range of programmes to help empower these people eg. creating links between borrowers and lenders (where both parties get better rates).

This initiative has been very successful since its inception, with 502 credit unions organized so far. They provide education on a huge variety of topics including environmental impact. They have also spearheaded studies on indigenous knowledge and have conducted advocacy work with relation to fighting land grabbing. On top of that, they also provide funding, education and opportunities for the poor, assisting them in building their communities and social capital.

3) Environmental consultancy by Wild Asia

A social enterprise that provides environmental consultancy as its core service, Wild Asia makes a positive difference through its projects. Some of the clients include those in the palm oil, ecotourism and green building industries. The company has been running since 2003 and since then has worked on sustainable buildings (providing expertise to build them), provided social impact assessments etc. The company has the know-how and network, therefore is able to provide service to clients who want to make difference.

4) Organic farming by Koperasi Belia Islam (KBI)

This is a credit cooperative based on Islamic financial principles organized by Angkatan Belia Islam (ABIM). It generates profits to sustain the coop, as well as ABIM. They create linkages between landowners, investors and entrepreneurs. KBI acts as the middle person ie. marketing channel for produce.

There are about 10,000 members in the coop and they started with kitchen gardening to feed themselves first before eventually creating wealth from small projects to contribute to food security in the country. There are six projects at the moment, spread over Sabah, Sarawak, Selangor, Kedah and KL, in both rural and urban areas.

This project has created positive impacts in all three pillars ie. besides producing economic gain, it also contributes to reduction of carbon footprint through local organic farming, as well as creates social impact by giving local women something meaningful to do (tending the gardens).

All these initiatives fulfil the triple bottomline ie. balancing people, profits and planet. All of these either provide environmental / social goods and services as moneymaking initiative, as well as incorporate education.

These organizations might not seem very economically efficient but it must be noted that they face many challenges. One key thing to remember is that they're actually operating on many more targets considering their resource constraints and compared to companies and charities. They have to juggle economic performance, as well social impact and are unable to externalize environmental cost. Competition for market share and labor is also very different because there are too many things to be taken into account. Government policies also haven't been very supportive.

SSE challenges the status quo by doing more with less and it should not be judged based on conventional standards. To strengthen SSE, policies should be put in place to evaluate and provide incentives. Further critical examination of wider economy is required. Sustainable development is about coming up with ways to provide more quality for well-being.

Mainstreaming financial inclusion through scale up of microfinance

By Mr Rolando Victoria (ASKI Philippines)

ASKI is an NGO that has a local and international network. While an ASEC member, it is also part of a network that deals with microinsurance and other financial products. Products are created based on what clients require. It has programmes using electronic finance, programmes for garbage collectors. The goal of ASKI is to reach out not just to the needy but also to innovate on what it has already been doing.

Part of ASKI's innovation is targeting the indigenous people and supporting their cassava planters, as well as small farmers. It links it client-farmers to companies, provide them with training, and conduct negotiations with buyers. Many of the ASKI projects are made up of husband and wife teams. In the first two years after it started operations, ASKI provided a lot of support to its clients, including collateral-free loans.

Aside from linking farmers to buyers, ASKI also encourages them to produce their own certified seeds. ASKI continues to create loan products that will address the needs of client-farmers. For example, an irrigation system that goes around the community, building hanging bridges in order for the farmers to transport their produce, and education and training for the farmers, through partnerships with the private sector.

ASKI has a new training centre – the Talavera Agricultural and Social Enterprise Training Center (TASEC) - where micro and small-medium entrepreneurs, as well as small farmers who are ASKI clients will be trained. It also provides training to young people. This centre is shared with members of ASEC, so other ASEAN citizens can attend training there.

ASKI programmes have been recognized at an international level. All money generated from these programmes flows back to community in terms of other programmes to address food security.

Development assistance to foster community empowerment and enterprises in Malaysia, Sri Lanka, Palestine and East Timor

By Ms Nishimori Mitsuko (PARC Inter-people Cooperation, Japan)

PARCIC started its activities in 1973 as PARC (Pacific Asia Resource Center). Gradually projects were expanded -- PARC started freedom schools and published education videos. When project areas widened, the organization was divided into two – PARC and PARCIC.

Two pillars of PARCIC are: 1) Providing support directly to the people affected by violence or natural disaster and 2) Fair trade.

Some of the efforts under the first pillar include assisting those who had been affected by the tsunami in Japan, as well as helping those in Palestine.

Under the fair trade pillar, PARCIC purchases products from farmers and sells them to Japanese consumers eg. coffee from Timor Leste, tea and cloth products from Sri Lanka etc. While some projects increased income for the male members of the community, this income was not always directed to the women and children. So other projects were developed to create jobs for women. Other projects, like the ones in Sri Lanka, were developed to create jobs for women who were widowed or orphaned after the war.

Some other examples include the project in Malaysia, in which PARCIC works with a small fisherman organization in penang (PIFA) to plant mangrove trees. The number of these trees had decreased due to urban development and this had affected the fish species.

While PARCIC works in several countries, what it does in each country depends on the situation and the people's need. If the affected people in a country have faced natural disaster, PARCIC starts with emergency assistance followed by rehabilitation, and then by social development. PARCIC receive funds from supporters and government and it uses these funds to provide material and technical assistance to the local producers who then export products to Japan. PARCIC also conducts yearly study tours for members of Japanese society to know more about situation of producers.

After exporting the products to Japan, PARCIC continues to monitor the production to ensure good product quality. This quality control is one of the challenges faced by PARCIC, in addition to accessing markets. More quality control is required.

Working with the people and the organizations that support PARCIC is more important than just focusing on the product. However, PARCIC would still want to promote the products on a greater scale, perhaps even sell products to a common outlet all over the world.

South-South and Triangular Cooperation of SME Development in Asia

By Mr Christopher Choong (UNDP Malaysia).

Some disclaimers before I start my presentation: 1) This project is on SME development not SSE but there are some SSE elements in the project; 2) The project was conducted at an Asian level, not just Asean; 3) I will speak more at the policy level, instead of on-the-ground

level; 4) What I will highlight may not be best practices but will draw on some reflections and implications.

The UNDP mandate is for human development. Progress in human achievement cannot be assessed by economic development alone. UNDP is a member of the UN Task Force on Social and Solidarity Economy (UNTFSSSE). In Malaysia, we worked on issues related to inclusive growth and have advocated for this kind of organization that can be considered part of SSE as they involve increasing inclusive growth, work on housing for poor and explore some concepts, which have elements of solidarity, mutual benefit and equity in terms of delivering housing services for the masses.

At the regional level, we had implemented the South-South and Triangular Cooperation (SSTC) on SME Development in Asia. The goal of the project was to assist countries in Asia to make progress towards achieving the Millennium Development Goals (MDG). The local partner for the SSTC in Malaysia is SIRIM, which comes under MOSTI.

The project structure was taken from Technonet Asia, which was set up in 1980 in Singapore. When the 2000s came around, the SME landscape changed and the organization had outlived its purpose, so when this project was set up, it was to think of ways to revitalize the organization. SIRIM, which had benefitted from it previously, agreed to host and bring the project into Malaysia.

There were five areas of focus:

1) Institutional and policy advocacy

Improving public policy design and innovative thinking for Chamber of Commerce/SME Associations (can be extended to social and solidarity economy organizations). We brought together the private and public sectors for dialogue, in order to create a space for discussion and collaboration. Normally, there are no concerted efforts. We also introduced tools for understanding methods to inform the community on public policies.

In the past, there have been difficulties obtaining data for policy-making purposes so one of the methods we came up with was a method to track hawkers in Vietnam. We came up with simple interventions for the local government, introduced tools of spatial ethnography to capture the processes of the informal sector. It involved going down to the ground and jotting down locations of the hawkers and then mapping them out.

2) Technology transfer

Technology transfer works for SMEs through workstations. If an SME has an interesting proposal, it can submit it to the workstation. The proposal will then be forwarded to the centre, which will then try to do business to business matching. They will gather buyers and sellers during trade fairs. Some of the participating business enterprises complained that it was a tedious process and that the vetting process after submission of the proposal took a long time. Many of the success stories came from China.

3) Extension / Business development services

In this module, we identified areas of need, developed materials and then asked local organizations to customize them for a local audience. They then delivered training using those customized modules. One lesson learned from this was that training at a theoretical level was not so relevant ie. need more on-the-ground, hands-on training.

4) Export promotion

We worked with a trade body in Switzerland for export promotion. Participants were provided with very technical training, as well as in the area of design. For example, if you look at products from Bangladesh, the people have good skills, materials and designs but it may still be difficult to sell the product in Japan as there are different market sensibilities, needs and wants. The participants are taught design thinking, not just about color and shapes, but also how to design products to fit into containers, branding etc.

5) Setting up SME network as sustainable strategy

We wanted to expand the SME network in Asia, to move it away from a donor-driven structure. At some point, we hoped that it would be driven by the members themselves, in terms of services offered and fees paid. There were a lot of practical considerations and in the end the network did not materialize. There was some interest but no local champion to drive the agenda.

One of the issues might be that when we set up the scope of network, it was too broad and didn't target specific sectors. It may be more practical to target the ASEAN region first before expanding to Asia. We will need to map stakeholders.

Some reflections: It is important for networks to spell out specifically their development outcomes, regional public goods and regional collective action. It is critical to have a network.

It is imperative to start with a mapping of the landscape. SSEs have a lot of on the ground experiences and it would be good to capture these experiences for use when developing public policies. We need new tools (ie spatial ethnography and GIS) and innovations for mapping SSEs.

Q & A

Question 1 (to Nishimori Mitsuko):

I like that you created shops and markets. Is it possible to start linking them to different community-based enterprises in different countries? There would then be a greater variety of produce and it would be possible to capture a bigger market. Would it be something that you could help to spearhead and lead?

Response: To have this kind of central shop, transportation would be more costly. One suggestion might be to set up shops in airports where local community products are sold.

Question 2 (to Christopher):

Elaborate on the tools. Is there any kind of idea for the tools?

Response: In my presentation, the tool that I mentioned to map out micro businesses was spatial ethnography. It is a combination of using GIS and ethnography (sociological

discipline) to capture some of these and putting them into visible maps / visualization. It's a powerful tool for understanding street hawkers and vendors. It is possible to use this information when forming policies.

Question 3 (to Christopher):

From observation, you're speaking about SMEs that may not be social enterprises. For community-based enterprises, there is no need to export. We can market just in our own countries. For us, organizing the setup of community-based businesses is the most difficult but you don't touch on this in your presentation.

Response: That's why I started with disclaimer that the project was about SMEs. It's unfortunate that we knew about this network only after this project ended. We are looking for a return to frame the concept with larger goals that goes beyond economics. I am here to explore future opportunities and see how we can coordinate.

Question 4 (to all presenters):

Looking at the example of how PARCIC has concern beyond their shores. Is it because Japan reached a certain economic level? Why is it that the rest of ASEAN has not yet been able to think beyond their own community? ASEAN has very powerful movement of labor eg. Filipinos in every part of the world. How can we get Malaysians to think of other countries, that is, be willing to raise money from our country (very affluent people everywhere, politically moving, big businesses moving) to benefit those in other countries? How do we shift this mindset? (Need to have a conquest mind?) How do we move?

Responses:

Rolando: We are trying to think at a global community level. This is why we set up our office in Singapore and hope to set up offices in Hong Kong and Italy as well. We are also trying to address the issue of migration, as well as remittance and its impact on development in our country. In Singapore, we are trying to network with other ASEAN countries. We provide back-to-back training on the value of remittance, as well as how to set up an enterprise. Before our participant overseas workers go back to their own country, they should have their own enterprise already. We are always on the lookout to ascertain where in other ASEAN countries we can do networking.

Chris: This is a question that we are really struggling with as well. One of the reasons we wanted to host the network in Malaysia was because of the "flying geese" theory. In the past, it had been Japan at the front in terms of economic development. For ASEAN, we are saying that Malaysia should step up responsibility because of the level of development it has achieved and support other countries. As Malaysia progresses in the global stage, responsibilities and roles should increase also. It's not a zero sum game. As the region prospers, Malaysia will too.

- 7 -

ASEAN AGENDA FOR COMMUNITY ENTERPRISES

Dr Ben Quinones presented the results of a rapid survey undertaken during the last session of the roundtable discussion. Thereafter, he requested participants to reflect on: 1) the most important steps and actions to take in the eight survey areas; 2) immediate actions to be taken; and 3) ways to share information on initiatives. Participants were asked to make comments. Reported below are the highlights of responses from the participants.

Christine Gent (WTFO)

Fair trade is enormous now. There is a high turnover and a large part of production is in Asia. There are extraordinarily good enterprises producing goods that are visible in Europe and America but not visible here.

We should also have more of an alignment of technical terms and definitions to improve discussions. We need to have terms that are common to everyone.

Fair trade enables poor people to regain dignity in the supply chain. We don't have much time for advocacy and other work. We are not networking in the way we should be. We also don't have much profit and this issue needs to be dealt with. At the same time, we need to ensure accountability and distribution of profit.

When it comes to mapping, please include a fair trade organization in each one of the countries. In terms of training, we could have shared calendar and agenda for training so that we can access each other's training as much as possible.

Dr Hezri Adnan (ISIS)

In the action plan for Sustainable Development Goals (SDG) in the post-2015 framework, we have come up with 17 development goals. Community-based enterprises will be relevant to at least six of these goals.

The goals and targets are towards ending poverty, ending hunger, promoting inclusive and sustainable growth, creating decent work for all, reducing inequality in all countries, promoting peaceful and inclusive societies, providing access to justice for all etc.

The environmental pillar is very important in our activities as South-east Asia is an environmental hotspot. The social solidarity economy may want to place more emphasis on the environment pillar.

Mr. Arnelo Astillero, ICCO Cooperation:

A common issue among ASEAN communities is that it is still in the agriculture stage. Many of our farmers are indigenous people and we must think about securing land for them. It might be good to partner with the private sector – they already have resources that we can tap into.

Work with a series of businesses so community based enterprises can immediately become big. We should identify all these possible partners, identify what we are doing in terms of training and immediately connect with existing partners.

My first two focuses would be training managers of CBEs and the ASEAN growth fund. We can start rolling out training programmes. Enterprises can enrol and we mentor them.

Ganesh Lal Purohit (COMMACT India)

We are doing social enterprise at very small levels, in very small pockets. Some immediate actions to be taken at our level:

First, to write a report and distribute it to our members, asking them if they want to know more about social enterprises and if they want to contact other people with experience,

Second, talk about this to our other members. This is not so new but the planning and making this type of intervention is new for us. We need more training, more information, more experience from different people.

One question on my mind is how we can do this. We will organize a local conference or workshop to discuss this and we can form a small network of people who are interested in this topic.

Comment 1: Thailand

Training should not just include technical work but also spiritual training.

Comment 2: Myanmar

For our country, the most important thing is training. This discussion has been an encouragement for us, as well as creation of awareness. Policy advocacy is also important for us. We also need to strengthen our civil society, in terms of capacity building, partnership and exposure.

Comment 3: Vietnam

In Vietnam, we should provide vocational training for people who live in the streets. As the country has limited resources, we cannot keep giving them handouts but should empower them.

Comment 4: Cambodia

Though Cambodia may not count much in terms of numbers, it's clear that social enterprises are becoming very important and have proven to be the answer to most social issues. Training is a big issue and we can work on that. For the growth fund, there are different needs in different countries but because of that funding, social enterprises would be able to grow. What we are trying to do is to collect a small fund i.e. seed funding of about \$10,000 – \$20,000 so that these community-based enterprises can show that they can grow and access bigger funds.

Comment 5: Laos

Training is important for us. We have been doing microfinancing but never called it that. We will start doing data collection and find methods to share information.

Other Comments:

- We need to address marketing, and work together to create a platform for this. It's not just about selling but also for advocacy and education. We should also collaborate with the government, sharing information with them so that there is mutual learning. There is also a need for shared documentation between the ASEAN countries so that our vision and actions are aligned.

- It is important to have documentation and be able to share practices and knowledge. More research needs to be done and the information needs to be shared. We could create a platform for every country and a platform for these platform to link to one another. This could be an e-commerce platform or one to share ideas.
- We need to have clear definitions and clarifications of concepts. We have seen cases where the terminology may be different but case study is the same.
- There is a need for a secretariat to moderate the platform. Also, for our products we should really pay attention to product design and packaging. Some of the locally produced items can be sold at top prices, if we have good designs.
- Once the project has been formalized, we should appoint a secretariat to do coordination etc.
- Maybe we could have an informal email thread. We must also remember that in some countries, for any initiative, they would have to submit a proposal and get approval before they can do anything.
- We need to educate lawmakers in parliament as there is not yet any legislation on solidarity economy. Malaysia must continue to share its knowledge with the region.
- We have talked about increasing communication and the need for common terms to discuss social enterprises, fair trade and so on. There is a need to reach out to communities outside our region as well. Could we use existing platforms for immediate communication eg. Facebook or Whatsapp? We could also create a marketing platform that will allow local businesses to sell their products to a bigger market eg. e-commerce.
- I am now preparing a publication on social enterprises in Malaysia. At a breakfast meeting on social enterprises some years ago, where enterprises from Europe and Asia came together, I realized that the Asian perspective is very different from how social enterprises was culturally developed in Europe. We decided that we might want to track how the meaning of social enterprise has evolved in a cultural, historical basis.

Appendix 1 PROGRAM

Pre-ASEAN Summit
Roundtable Discussion on
ASEAN COMMUNITY ENTERPRISES

April 25, 2015, Saturday,
Conference Room, GMM 15th Floor, Menara Manulife,
No. 6, Jalan Gelenggang Damansara Heights, Kuala Lumpur, Malaysia

Theme: Fostering an ASEAN Community: Cooperation in developing value chains of solidarity-based community enterprises

Organisers: Asian Solidarity Economy Council (ASEC) & Global Movement of Moderates (GMM).

Co-organizers: ASEAN Foundation, the ASEAN Secretariat, Emerging & Special Partnerships Unit / International Labour Organization (ILO), Asian Strategy & Leadership Institute (ASLI), Bina Swadaya Foundation, Sinergi Indonesia, & Institute of Ethnic Studies (KITA), Universiti Kebangsaan Malaysia (UKM).

The Objectives

To promote the concept of solidarity economy, social business, social enterprise and social entrepreneurship as a vehicle for community empowerment and in addressing poverty and inequality in Asean member states

To draw policy implications in identifying the place of social solidarity economy in the action plan for Sustainable Development Goals as a post MDG initiative

To discuss the possibilities of charting a cooperation road map among Asean member countries, civil society, academic institutions and private sector.

PROGRAM - April 25, 2015 (Saturday)

08.00 - 09.00 Registration/Coffee

09.00 - 10.00 Opening Session

Welcome Remarks by: Datuk Saifuddin Abdullah, CEO of GMM

Speech by Ms Elaine Tan (ASEAN Foundation)

Opening Ceremony: Officiated by YB Dato' Sri Hasan Malek,
Minister of Domestic Trade, Cooperative and Consumerism (Invited)

10.30 - 12.30 SESSION 1: SOLIDARITY-BASED COMMUNITY ENTERPRISES FOR ASEAN: OPPORTUNITIES, POSSIBILITIES & CHALLENGES IN ASEAN

Panel Speakers

Dr. Benjamin Quinones, Jr. (ASEC Chair)

Pak Bambang Ismawan (ASEC Indonesia)

ILO Representative (Mr. Jurgen Schwettmann) (Invited)

Tan Sri Dato Dr Michael Yeoh (CEO, ASLI)

Session Moderator: Datuk Dr Denison Jayasooria (ASEC Deputy Chair)

12.30 - 13.30 Lunch

13.30 - 15.00 SESSION 2: CASE STUDY PRESENTATIONS OF COMMUNITY ENTERPRISES

Panel Presenters

Dr. Jun E Tan, (ISIS, Malaysia): Community Economy in Malaysia addressing poverty and low income through social entrepreneurship, social enterprise, solidarity economy initiatives

Mr. Rolando Victoria, (Alalay Sa Kaunlaran Inc. (ASKI) Philippines) Mainstreaming financial inclusion thru scale up of microfinance.

Ms. Nishimori Mitsuko (PARC Interpeople Cooperation, Japan) Development assistance to foster community empowerment and enterprises in Malaysia, Sri Lanka, Palestine & East Timor

Mr. Christopher Choong Weng Wai, (Economist/Programme Manager at UNDP Malaysia). "South-South and Triangular Cooperation of SME Development in Asia".

Session Moderator : Mr. Brigido Simon Jr. (Chair ASEC Philipines)

15.00 - 16.30 SESSION 3: ASEAN AGENDA FOR COMMUNITY ENTERPRISES

Proposal for ASEAN Community cooperation for the development of value chains of solidarity-based community enterprises, as a South-south & triangular cooperation of ASEC, ASEAN, GMM, and ILO in line with the Sustainable Development Goals agenda.

Included in the proposal is the ILO SSE Academy 2016 in Asia and the International Conference on Social & Solidarity Finance 2016 also in Asia) Setting the agenda for 2015 and beyond for SSE in ASEAN

Panel Reflections:

Representatives from Asean Countries (Government & NGO)

Ms Christine Gent (WFTO)

Dr Hezri Adnan (ISIS)

Mr. Arnelo Astillero, ICCO Cooperation

Session Moderator: Dr. Benjamin Quinones, Jr. (ASEC Chair)

17.00 Closing/Refreshments.

Appendix 2 PAPER

COMMUNITY BASED ENTERPRISES: A STRATEGIC COMPONENT OF A PEOPLE-CENTRED ASEAN by Dr. Benjamin Quiñones, Jr.

Definition of Community Based Enterprise

A community based enterprise (CBE) is an enterprise created voluntarily by groups of citizens of a community and managed by them, and not directly or indirectly by public authorities or private companies, even if they may benefit from public/private grants and donations. Their shareholders have the right to participate ('voice') and to leave the organization ('exit'). The legal personality of CBE may take the form of cooperative, association, club or non-formal self-help group.

Three major aspects of CBE (community based enterprise) models to look at:

First, institutional arrangements: the socio-economic system for organizing modes of life, production, consumption & exchange;

Second, pivotal actor: the actor around which the system is organized, including his method of governance

Third, benefits: developmental gains resulting from the institutional arrangements under the pivotal actor's direction

In this presentation, four prototypes of solidarity based community enterprises are reviewed to give light to the abovementioned aspects of CBEs. These are:-

Community-supported agriculture

Fair Trade

Agricultural value chains integrated by microfinance institution

Social enterprises of women workers collectives

CBEs are viewed in this presentation from the perspective of a multi-stakeholder value chain comprised of several enterprises working together to reach a desired, socially oriented development goal.

This is in contrast to a socio-economic analysis that focuses only on a single enterprises, which glosses over the dynamics of relationship building and solidarity among various individuals and enterprises in pursuit of their common but differentiated responsibilities (CBDR) towards social development (people), environmental conservation (planet), and economic sustainability (profit).

CASE 1. COMMUNITY SUPPORTED AGRICULTURE (CSA)

Pivotal Actor

The pivotal actor in CSA is the consumer group. But CSA materializes only when an organized group of consumers buys directly their fresh food requirements from a group of local producers without any middleman involved in the transactions.

A group of consumers (usually urban-based) with preference for organic produce enter into a dialogue with farmers in a given community or locality to make arrangements with the local farmers to produce organic food items for the families of the consumer group. The consumer group offers to pay in advance for the quantity of farm produce agreed upon, and to pick the produce from a station where the farm produce will be assembled. In case the fresh farm produce exceeds the consumption requirements of the member households of the consumer group, the latter is responsible for the storage and disposal of the surplus produce either through wholesale or retail.

On its part, the household members of the producer group are responsible for putting together the factors of production (land, labor, capital, raw materials, technology/ knowhow, management) required for producing the production quantity agreed upon between the consumer group and the producer group. The household members of the producer group are also expected to package the fresh farm produce and ensure that pre-agreed quality standards are met in assembling and packaging products to be supplied to the consumers.

Institutional Arrangements

The institutional arrangements of CSA are based on the ten principles of Tekei formulated by the Japan Organic Agriculture Association in 1978. These are;

One, Principle of mutual assistance. The essence of partnership lies in the friendly relationship between people, not in trading itself.

Two, Principle of intended production. Producers and consumers agree on maximum amount & maximum variety of produce within the capacity of the farms.

Three, Principle of accepting the produce. Consumers should accept all the produce grown according to agreement with farmers.

Four, Principle of mutual concession in the price decision. Price is mutually agreed upon by producers & consumers.

Five, Principle of deepening friendly relationships. Deepening friendly relationships maximizing contact between partners.

Six, Principle of self-distribution. Transportation of produce is by producers or consumers, no professional transporters.

Seven, Principle of democratic management. Shared responsibilities, avoid over-reliance upon limited number of leaders.

Eight, Principle of learning among each group. Both groups attach much importance to learning together & engaging in activities beyond the distribution of safe foods.

Nine, Principle of maintaining the appropriate group scale. Both producer & consumer groups should be kept to an appropriate size. The number of members of a CSA consumer group would range from 15 to 150 households.

Ten, Principle of steady development. It is necessary to choose promising partners, and to persevere in developing relationships & advancing mutual cooperation.

Benefits

Based on its studies of CSA, the International Federation of Organic Agriculture Movement (IFOAM) summarized the benefits of CSA as follows:

The Farmers:

- get to market their produce in advance, before they begin planting;
- receive payment in advance, which helps their cash flow; &
- get to know the people who eat the food they grow.

The Consumers:

- eat ultra-fresh food, with all the flavor and vitamin benefit;
- get exposed to new vegetables and new ways of cooking;
- usually get to visit the farm at least once a season;
- find their children typically favor food from "their farm " even veggies they've never been known to eat; and
- develop a relationship with the farmer who grows their food and learn more about how food is grown.

IFOAM further notes that CSA also contribute to sustainable development in developing countries of Asia, Latin America and Africa, as follows:

- CSA provides a doable and sustainable way of developing local communities, alleviating poverty and empowering people.
- CSA offers a sustainable solution to the twin problems of population growth and the food crisis which individuals acting independently and rationally cannot resolve.
- CSA brings together people who farm and people who eat to form communities around locally grown food.
- CSA adheres to the principle of common but differentiated responsibilities.
- as an approach to local development, CSA fits well into the paradigm of South-south and triangular cooperation because the actors respect the autonomy, peculiarities, and priorities of their partners, and new CSA initiatives in developing countries are able to access technical assistance from practitioners in the South, sometimes with technical and modest funding support from donors of the North.

Relevance of CSA to the ASEAN Economic Community

Growing urbanization in ASEAN member countries threatens food security. Urbanization and economic growth are often associated with ‘commercialization’ of agricultural lands and deforestation.

Green space is an important contributor to urban liveability. High quality of green space implies high quality of urban life.

CSA is a cost-effective means of ensuring food security as well as a natural means of sustaining green space – within the country and across the ASEAN region.

CASE 2. FAIR TRADE

Pivotal Actor

The pivotal actor in Fair Trade is the Fairtrade buyer, usually from a country of the North. Graphically, the supply chain of Fair Trade looks like that of CSA. A closer look, however, will show that CSA is a short supply chain (relationship between local producers and local consumers), while Fair Trade is a long supply chain (relationship between producers from the South and buyers from the North).

Institutional Arrangements

The institutional arrangements of Fair Trade are based on ten principles formulated by the global fair trade movement. These are:

- strategy for poverty alleviation and sustainable development;
- transparent management and commercial relations to deal fairly and respectfully with trading partners;
- develop producers’ capacity for socio-economic stability;
- raise awareness on possibility of greater justice in world trade;
- agreement on fair price through dialogue;
- proper valuation of and reward for work;
- promote safe and healthy working environment for producers;
- no child labor, respect the Rights of Child
- promote better environmental practices and application of responsible methods of production; and
- prioritize social, economic & environmental well-being of marginalized small producers, no maximizing profit at their expense.

Benefits

Based on the study by Douglas Murray, Laura T. Raynolds, Peter Leigh Taylor. March 2003. “One cup at a time: Poverty alleviation and fair trade in Latin America”. Colorado State University, the benefits of fair trade are the following.

- higher price paid to, & higher income for, small-scale farmers.

- pre-financing at world market rates enable individual producers to have greater access to credit from formal financial institutions.
- combination of price guarantee and increased access to credit contribute to greater economic and social stability for farmers.
- access to training in organic farming and other technologies enhance technical capabilities of farmers
- long-term relationships between cooperatives and buyers contribute to quality improvement by providing feedback to farmers.
- producer cooperatives develop new networks of contacts
- increase in self-esteem.

Relevance of Fair Trade to the ASEAN Economic Community

Fair Trade creates a niche market for community based enterprises, which niche market adheres to universally accepted standards of 'fair trading' practices.

By adopting Fair Trade as a strategy and means for integrating CBE into the ASEAN Economic Community, ASEAN would accelerate the process of concretizing its people-to-people connectivity program via the economic means / market mechanism.

Integrating CSA & Fair Trade into the ASEAN Economic Community will enhance eco-tourism. This in turn will contribute to a growth in travel, hotel & restaurant business, and the services sector.

CASE 3. SUPPLY CHAIN INTEGRATION OF CBEs THRU MICROFINANCE

The pivotal actor in this case is the Microfinance institution (MFI). The MFI helps in organizing and strengthening the cooperative organization of its clients and it connects the latter to institutional buyers/users of agricultural produce.

Institutional Arrangements

The institutional arrangements in the present case are based on an analysis of the socio-economic problems confronting small agricultural producers conducted by the MFI, on which basis solutions were drawn, as shown below.

Problems faced by farmers

- 1) Farmers' lack of access to capital at affordable cost
- 2) Low productivity due to inability to avail of sufficient input supplies
- 3) Farms have no crop insurance coverage
- 4) Farmers lack post-harvest facilities
- 5) Lack of additional sources of income

Solutions by MFI

- 1) Production loan provided at affordable interest rate.
- 2) Availment of input supplies tied to production loan
- 3) Crop insurance coverage included in production loan
- 4) Warehouse, threshing machine, milling machine, & dryer made available for use by farmers
- 5) Farmers trained in livestock raising on top of crop production

Benefits

Farmers

- Assured access to affordable credit to finance operations
- Assured market for produce
- Higher income
- Access to training on new technologies

Microfinance institution

- Bigger loan portfolio, large scale finance
- More tangible security for loan (i.e. quedan)
- Greater assurance for loan repayment
- Enables professional management of supply chain

Consumers

- Supply of high-quality un-adulterated rice assured at fair prices
- Networking & partnership with microfinance institution enhanced

Relevance of Microfinance Institutions to the ASEAN Economic Community

Microfinance has been instrumental in empowering women. Integration of CBE value chains managed and run by women hastens the realization of a people centered AEC.

Integration of value chains allows MFIs to engage in bulk financing. This will enable MFIs to reduce their transactions costs and subsequently reduce interest rates on loans.

CASE 4. SOCIAL ENTERPRISE OF WOMEN WORKERS CONSUMER COOPERATIVE

The pivotal actor of this CBE model is the consumer cooperative. Some 128 women workers in Atsugi city of Japan (all migrants from Yokohama) established a Seikatsu Club (consumer

cooperative) in 1982 which initially engaged in community supported agriculture (CSA). After almost 8 years of successful operation of their CSA project, the women members realized that most of them have not resolved a common social problem: women workers continue to bear the burden of caring for the elderly and the children.

In 1990, the women workers consumer cooperative took the initiative of establishing its first social enterprise - an elderly care center - creating a supply chain as depicted below.

A list of social enterprises established by the women workers consumer cooperative is provided below.

1990: 'Sachi', a House Holding & Care Mgt Workers Collective

1993: house care management centre for elderly people

1997: Nursery School 'Crayon', care mgt of disabled children.

1997: 'Sumire' (Violet), transport/delivery service

1998: 'WE' recycling shop, grew into 55 shops all over Kanagawa

2000: 'Service House Popolo' - a senior citizen communications & overnight stay center, accommodates up to 40 people

2000: 'Tobio', a replication of 'Sachi'

2001: 'Carry Joy', transport service for elderly and disabled

2002: 'Donguri', care for primary school children

2002: 'Ohisama', repllcation of Donguri

2002: 'Anzu', supply of Chinese herbal medicine

2003: 'Vivi', nursery school.

2003: 'Nanairo-no-Tane', child welfare center

2004: 'Centre for Cultural Diversity & friends', teaching Japanese language to foreigners

2004: 'Ton Ton', a Daily Care Service for Disabled Children

2005: Minna No Te', House Holding and Care Management

Notably, the number of social enterprises established by the women workers consumer cooperative grew at a slow rate of 1 every 3 years between 1990 and 1997, 1 social enterprise per year from 1997 to 2001, 2 per year since 2003. Over the years, the women workers consumer cooperative realized that the demand for the social enterprise solution they have developed was quite great among the fully employed working households of the city.

Benefits

- Social needs met through Citizen Initiative

Local government alone cannot carry out citizen-oriented social policies

Citizens know their social needs better, they are empowered to invent solutions and put them to practice.

Citizen actions to meet social needs has led the national and local governments to formulate appropriate social policies.

- Constructing a Gender-balanced Working Condition

Social enterprises of women workers collective shift the social burden of elderly & child care from the women workers individually to the social enterprise owned by women workers.

A sustainable solution is found to a persistent social problem; gender equality is improved.

Relevance of Socially Enterprising Consumers to The ASEAN Economic Community

Socially enterprising consumers demonstrate by their actions how citizens could act on their social responsibility.

Socially enterprising consumers have been shown to be the pivotal actors of community supported agriculture, microfinance and fair trade.

Organized groups of socially enterprising consumers will provide dynamic power to the AEC.

Conclusion and The Way Forward

Is there a case for strengthening community based enterprises (CBEs) as integral component of ASEAN Economic Community?

Yes, absolutely.

What can we do together to strengthen CBEs and integrate them into the ASEAN Economic Community?

Let us collectively adopt and implement **a 7-point strategy for strengthening & integrating CBEs into the AEC**, as follows:

First, each ASEAN member country selects 3 CBEs to monitor & evaluate

Second, train the leaders & managers of CBEs

Third, establish an ASEAN Growth Fund for CBEs

Fourth, offer formal education for CBE leaders & manager to instill in them the 'ASEAN community' mindset

Fifth, promote policies at ASEAN and member-country levels in support of CBE development

Sixth, enlist 1 Million 'socially enterprising' consumers from 10 ASEAN countries to patronize CBE products

Seventh, develop a regional framework for CBE development: vision, core values, business plan

Appendix 3

Workshop Report on Sustainable Development Goals & Solidarity Based Community Enterprises

Asian Solidarity Economy Council (ASEC) hosted this workshop (Session 1) at the ASEAN People Forum held on 23 April 2015, from 2.00-4.00 pm at the Conference A (2F, Wisma MCA), Kuala Lumpur

This workshop which was participated by 22 people, highlighted the institutional arrangements, pivotal actor, and benefits of solidarity based community enterprises (SBCEs) and their contributions to the advancement of sustainable development goals.

Brief Summary

Civil society organizations (CSOs), private sector leaders, and social entrepreneurs participating in a workshop on 23 April 2015 on the occasion of the ASEAN People's Forum 2015 in Kuala Lumpur recognized that community based enterprises abound in local communities where organized groups of people work together to advance socio-economic justice and provide concrete solutions to their socio-economic problems.

Having reviewed prototypes of community based enterprises such as community supported agriculture (CSA), fair trade, agricultural value chains integrated and financed by microfinance institutions, and social enterprises of women workers collective, the workshop concluded that community based enterprises do contribute to wealth creation, enhancing the quality of community life, empowering people's participation in local development, environmental conservation, and responsible use of local resources in a sustainable way.

They observed, however, that the contributions of community based enterprises to a people-centered ASEAN Economic Community are not brought to light and glossed over in the ASEAN Summit's policy discourse.

Participants of the workshop proposed that ASEAN Heads of State recognize that developing community based enterprises is in line with the eight priorities of Malaysia as Chairman of ASEAN 2015, and will enhance ASEAN people to people cooperation in addressing poverty and local sustainable development.

Further, they proposed that an ASEAN South-South & Triangular Cooperation (SSTC) program be established and implemented as a public-CSO partnership aimed at strengthening the value chains of community based enterprises.

Nature of the activity:

Presentations were made by resource speakers on prototypes of solidarity based community enterprises such as community-supported agriculture (CSA), Fair Trade, Integration of agricultural value chains by microfinance institutions, and social enterprises of women workers collective.

The presentations were followed by an open forum in which participants raised queries, gave comments on the SBCE prototypes, and made suggestions on what the mother organizations of participants could do to advance the development of SBCEs in their respective countries.

A discussion also ensued about the follow up activities that need to be undertaken in order to call the attention of ASEAN Heads of States on the workshop proposals.

Resource persons

Dr. Benjamin Quinones, Jr., Chairman of ASEC

Ms. Irawati Hermantyo, Secretary General of ASEC-Indonesia

Ms. Christine Gent, Executive Director of World Fair Trade Organization (WFTO) Asia

Session Moderated by Datuk Dr Denison Jayasooria (ASEC Malaysia)

Some Agreed outcomes/recommendations derived from the activity

First the proposal for an ASEAN South-South and Triangular Cooperation (SSTC) program for the strengthening of value chains of solidarity based community enterprises;

The draft Statement of the Asian Solidarity Economy Council and the Global Movement of Moderates on “Building a People Centered ASEAN through Community Based Enterprises”;

Third, Participation of workshop attendees in the GMM-ASEC Roundtable Discussion on “Fostering an ASEAN Community Cooperation” on 25 April 2015 to be held at the GMM conference hall; and

Post-ASEAN Peoples’ Forum2015 meetings with the ASEAN Secretariat in June 2015 and with the Lao government and Lao NGO delegation participating in APF2015 prior to the next ASEAN Summit to convey the results of the GMM-ASEC workshop.

Report prepared by: Dr. Benjamin R. Quiñones, Jr. Chairman, Asian Solidarity Economy Council (ASEC). April 24, 2015

Appendix 4

Workshop Report on Mainstreaming Solidarity in Conflict-affected Communities through Solidarity Based Community Enterprises

Asian Solidarity Economy Council (ASEC) hosted this workshop (Session 51) at the ASEAN Peoples' Forum on 23 April 2015 from 4.00-6.00 pm at the Conference A (2F, Wisma MCA), Kuala Lumpur

This workshop which was participated by about 22 people aimed at highlighting and drawing lessons from best practices of solidarity based community enterprises in restoring peace and order and rebuilding communities of people in conflict affected areas.

Brief Summary

Community based enterprises reviewed in the workshop were purposely introduced in conflict-affected areas by social enterprise organizations (i.e. Bina Swadaya, ASKI, and the Oeconomy Cooperative) as a means of restoring peace and order and of rebuilding solidarity among people in communities. Income generating activities are a high-stake agenda that attract local people to a social dialogue arranged by the social enterprise organization especially when they are confronted with problems of poverty, social exclusion and economic marginalization. Instead of focusing attention to the development of individual enterprises, the social enterprise organization draws the people's attention to the alternative of establishing a community based enterprise. Because the formation of a community based enterprise requires solidarity, working together and collaboration among the stakeholders, local people are challenged to think through ways and means of resolving their conflicts and move on to a transition towards cooperation and concerted action.

Participants of the workshop asked several questions about the methods and approaches adopted by the social enterprise organizations in bringing people of different persuasions to a social dialogue and in handling the direction of social discourse. It gradually became obvious to the participants that the resource speakers themselves who are proponents of peace-seeking social dialogue are peace-loving, patient by nature, and they are prone to listen to others. Furthermore, they have a track record of success in establishing community based enterprises.

The workshop participants proposed that the ASEAN Peoples' Forum formally call on the Heads of State of ASEAN member countries to recognize community based enterprises as appropriate means for restoring peace and order, solidarity and cooperation among people in local communities.

Nature of the activity:

Three case studies were presented by resource speakers about concrete examples of socio-economic interventions in conflict affected areas which have resulted in the restoration of peace and order and the rebuilding of solidarity among peoples involved in social, economic, political or religious conflicts. These were: (1) formation of self-help microenterprises in Maluku islands (Moluccas) of Indonesia; (2) expanding microfinance outreach to areas in Central Luzon, Philippines where rebel activities were rampant; and (3) establishing a social enterprise among Orang Asli (indigenous people) of Malaysia who were running into conflict with authorities on the use of ancestral lands.

The case presentations were followed by an open forum in which participants raised queries, gave comments on the cases presented, and made suggestions on what ASEC and other organizations represented in the session could do together to mitigate social, economic, political or religious conflicts.

A discussion also ensued about the follow up activities that need to be undertaken in order to call the attention of ASEAN Heads of States on the workshop proposals.

Resource persons

Mr. Bambang Ismawan, Founding Chairman of Bina Swadaya- Jndonesia

Mr. Rolando Victoria, Executive Director of Alalay Sa Kaunlaran Inc (ASKI) -Philippines

Mr. Kon Onn Sein, Managing Director of Oeconomy Cooperative –Malaysia

Session was moderated by Datuk Dr Denison Jayasooria (ASEC Malaysia)

Agreed outcomes/recommendations

One, proposal for an ASEAN program on mainstreaming solidarity based community enterprises as a means of mitigating social, economic, political or religious conflicts.

Two, information exchange among workshop participants about best practices on mainstreaming Solidarity in conflict-affected communities through solidarity based community enterprises.

Report prepared by: Dr. Benjamin R. Quiñones, Jr., Chairman, Asian Solidarity Economy Council (ASEC). April 24, 2015