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**Keynote Speech of Senator Loren Legarda
First Women's Economic Empowerment and Social Enterprise
Regional Visioning and Engagement Conference in Asia
"Promoting Transformational Partnerships and Women's Empowerment in
Agricultural Value Chains in ASEAN"**

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ASEAN is one of the most diverse regions in the world. It is a region of 32,000 islands spanning over 4 million square kilometers and hosting more than 600 million people who speak more than 900 different languages and dialects.

The establishment of the ASEAN Economic Community (AEC) is anchored on the strength of the region's diversity. It operates on the assumption that with open borders and free intra-ASEAN trade, more investments will come in and therefore improve the region's competitiveness.

It is expected to set the stage for ASEAN as a single market and production base that would create opportunities for business complementation, thereby transforming ASEAN into a vital segment of the global supply chain.

A look at basic facts would seem to support these assumptions.

In 2015, the ASEAN's combined GDP stood at 2.4 trillion US dollars, making it the third largest economy in Asia and the sixth largest in the world. It is rich in natural resources and has a huge and young market, with a rising middle class.

As we pursue the pathway that will bring the economies and people of ASEAN under a single economic community, we also have to look into its effects in micro, small and medium enterprises (MSMEs), and including, social enterprises.

State-run think tank Philippine Institute for Development Studies (PIDS) is urging the creation of an enabling environment for social enterprises, seeing these businesses as essential to the attainment of inclusive growth in the country.

While a resurgence of social enterprises has been observed in the country, and even globally, the current policy environment in the Philippines is unresponsive to their growth. [1]

Furthermore, the ASEAN economic integration poses both challenges and opportunities for social enterprises and their small producer stakeholders in agricultural value chains.

Social enterprises and MSMEs are clearly susceptible to greater competition given that they have limited access to finance and technologies, as well as markets. They have limited capacities for compliance with standards and certification. Unless we provide the necessary support and interventions, these enterprises are likely to lose out in deeper competition.

This is the scenario in general for social enterprises. What more if we take in the gender factor?

According to the Philippine Commission on Women (PCW), women's domestic and household roles generally limit their earning ability. Other barriers include inadequate access to and control over production resources and markets, segregation or discrimination into lower-paying jobs, and the lack of market-driven skills and knowledge. Women who want to engage in income earning activities while still having sufficient time for family start small businesses in traditionally women-identified areas with limited growth potential.[2]

This conference provides a great opportunity to examine these scenarios and assess current trends, exchange best practices, and generate solutions to promote agricultural value chain interventions and investments in ASEAN that would transform and empower women and men small scale producers as a contribution to achieving inclusive and sustainable growth.

Here in the Philippines, the PCW is currently implementing the Gender Responsive Economic Actions for the Transformation or GREAT Women Project 2, following the completion of the first GREAT Women Project in 2013.

The first project focused on creating an enabling environment for women's economic empowerment at the national and local level, and in the latter part engaged private sector partners to support women microentrepreneurs (WMEs) improve their product design and market strategies.

In response to the lessons and recommendations from the first project, the GREAT Women Project 2, which commenced in 2014 and will end in 2020, is focused on improving competitiveness and sustainability of women's enterprises in order to: produce quality, environmentally sustainable products; making value chain more gender responsive; and improve entrepreneurial capacities. Furthermore, it continues to improve the policy environment and coordination of service delivery among agencies and private sector partners.

While support from the private sector and grants-based projects from foreign governments and institutions are most welcome, the government needs to create an environment that would allow women to pursue social enterprise and other opportunities, and ensure sustainability and growth.

The Philippines has several laws for microenterprises. The Magna Carta for MSMEs requires lending institutions to set aside at least 8% of their loan portfolio for micro and small enterprises. It allows the Small Business Guarantee and Finance Corporation to set up a Micro Finance Trust Fund to provide collateral-free fixed and working capital loans to micro and small enterprises.

In our national budget for 2017, additional funds were allocated under the Small Business Corporation so it can provide loans at almost no interest to microenterprises.

Another law is the Barangay Livelihood and Skills Act, which mandates the establishment of livelihood and skills training centers in 4th, 5th and 6th class municipalities for employment generation. It ensures that all livelihood and skills training centers offered by the national government are properly coordinated and implemented at the municipal level.

We also have the Agri-Agra Reform Credit Act. It requires banks to allocate 25% of their loanable funds to the agriculture sector to finance the acquisition of work animals, farm equipment or machinery, seeds, fertilizers, livestock, feeds and/or other similar items for farm production.

While programs and incentives enjoyed by MSMEs apply to social enterprises as well, it is imperative that legislation for social enterprises is passed.

Pending in the Senate is the proposed Poverty Reduction Through Social Entrepreneurship (PRESENT) Act, which would provide social enterprises with incentives such as tax exemptions, special credit windows and guarantee funds, and local government support, among others.

Meanwhile, the proposed the Philippine Innovation Act, which aims to create an ecosystem that facilitates and supports innovation and entrepreneurial growth, in cooperation with all stakeholders, including academe and business.

We also have to take into consideration other factors that may impede the growth of microenterprises: climate change and disaster risks.

Climate change is a great threat especially to the agricultural value chain. Extreme weather events such as stronger episodes of drought or excessive rains that cause flooding greatly affect agriculture. In fact, crop yields are estimated to decline by 19 percent in Asia towards the end of the century with the lack of climate change interventions.

In line with this, social enterprises can build resilience by knowing the risks and how climate change could affect the enterprise; create business continuity plans that highlight resiliency as a core feature of their operations; and develop strategies that advocate for ecosystems protection and consider the environmental changes ahead.

Women are likewise effective leaders in resilience efforts.

One women-led community effort is through the Sapinit Watershed Settlers Association in Antipolo City. The group, composed of women residents of the area, established a nursery filled with narra and mahogany seedlings. Women tilled the land, prepared the watershed, and planted the seedlings--all aimed at helping restore the Marikina watershed.

In the coastal Barangay of Talokgangan in the Province of Iloilo, women are at the forefront of rehabilitation efforts covering 3.5 hectares of mangrove forests. What initially started as a male-dominated organization has become a mostly-female organization with the mission of restoring, preserving and creating opportunities to save Banate-Barotac Bay from further deterioration.

The agricultural value chains provide great opportunities not only for women empowerment but also for resilience-building. Addressing the risks that could break the chain and adopting sustainable practices would not only ensure continuity of the flow but also higher quality products.

As we tread on the path of the ASEAN economic integration, we must ensure that no one is left behind. Much work obviously needs to be done in order that this community that we all seek to build will be relevant and will help usher in a higher quality of life for all the people in the region.

The outcome of this gathering must be a call to action for our respective governments so that social enterprises and MSMEs would not be left behind, instead, be provided with fair opportunities for development.

In closing, I wish to express my gratitude for inviting me to be part of this inaugural conference. There is so much to be learned among all the participants here and I am certain that with everyone's passion and commitment, we can all make a difference for women empowerment, for social enterprise development, for sustainable, resilient and inclusive growth, for a better ASEAN and a better world.

Thank you.

[1] *Strengthening Social Enterprises for Inclusive Growth: Philippines*, Marife M. Ballesteros and Gilberto M. Llanto, Philippine Institute for Development Studies

[2] *Project Briefer: The GREAT Women Project 2*, Philippine Commission on Women