A Case Study on the Formation of Community Based Enterprise

Background

The formation of the Community Based Enterprise (CBE) is part of the initiative of the Green jobs in Asia of the International Labour Organization (ILO) to create green jobs and decent work in the Socialized housing construction sector in the Philippines. The formation of the CBE was the transition activity of the newly trained female coco coir workers into a business entity or enterprise. The formation of the CBE was conducted after the skills training in the creation of green materials of coco coir.

Prior to the formation of the CBE, Mr. John Manzanas, the ILO consultant for enterprise development, conducted various activities to prepare the Coco Coir workers in forming their own CBE. First, Mr. Manzanas prepared a draft set of elements for a strategy towards the development of a CBE in the pilot project site and the drafting of the business plan. The business plan laid out the basic facilities, processes and skills needed by the group in two key areas, namely, production management and financial management. A short section on membership development was also included to help the group manage their human resources. The plan also included some estimates on market revenues and the various expenses and cost items for the association. Then, Mr. Manzanas conducted a simple survey on August 2012 to gather information on the inclinations of the coco coir workers in establishing an association and to ask the workers their knowledge and level of understanding of an association. The survey was given to 30 Coco Coir female workers and residents in Southville 8B area of Rodriguez (formerly Montalban) town, Rizal in the middle of August. Thirteen residents responded indicating their interest to join an association of coco coir workers.

During the training cum production phase, the Coco Coir workers were already informally organized with Ms. Jocelyn Llaban as their de facto head and also had a loose hierarchy of leaders at the various housing blocks that performed twining work. Ms. Llaban had also been managing basic business transactions in twining work since June 2012. With this development, Mr. Manzanas, recommended that the Coco Coir workers were ready to move their group further into a business. However, the formation of the CBE did not push through because of the limited time period of the project. Instead, the Coco Coir workers were organized in their own worker’s Association and registered as a business entity assisted by NHA project team. The formation of the worker’s association took place during an orientation meeting conducted on
September 4, 2012 with ILO and NHA facilitating the meeting. The meeting was held in the Claret Mission in Southville 8B with 19 female attendees that were previously trained in Coco Coir production.

I. Objectives

The objective of the formation of worker’s association was aligned with the goal of the project which was to contribute towards the greening of socialized housing of the Philippines, ensuring environmental sustainability and decent work through on-site skills upgrading and formation of community based enterprises. The program for the formation of the CBE of coco coir workers were outlined into various parts during the orientation meeting. These include the following:

1. Objectives of the formation of Worker’s association
2. Brief background on coco coir work
3. Rationale for a workers’ association
4. Features of the workers’ association
   • Formal organization of residents involved in coco coir twining and net production
   • Organized for the purpose of managing the business of coco coir twine and net production
   • Has the appropriate facilities and management systems to sustain and expand the business
   • Supported by all members
5. Initial Formation of Worker’s association
   • Selection of board members and officers of association
   • Set up various committees such as those on membership, programs, etc.
   • Review Securities and Exchange Commission (SEC) registration requirements of non-stock corporation
   • Consolidate contributions from members
   • Coordination with NHA on registration to SEC
II. Achievements

- The 19 attendees of the orientation meeting composing of Female Coco Coir Workers were initially organized into a workers’ association as a first step towards the formation of CBE.

- Coco Coir worker’s group decided to name their association the "Southville 8B Twining and Weaving Association".

- An election was held to organize officers in the workers’ association where Ms. Jocelyn Llaban was voted as their President and Ms. Florida Martinez as the Vice President. The group also selected the board members of the association and set up various committees in the association such as on memberships and programs. They used the residence of Ms. Florida Martinez, their Vice President, as temporary office address.

- 30 women twiners and weavers have participated on Gender Sensitivity Training last September 21, 2012 to raise awareness on the different needs of women and men and that decisions, resources and power within the association.

III. Prospective

Prospective activities involved the transition of the workers association into a community based enterprise. Prior to this, the worker’s group should coordinate with NHA on the completion of the registration of their newly formed worker’s association to SEC. Some of the group members did not have the funds to contribute as equity to their association. The reservation period will be for 60 days starting from the third week of September 2012. The registration process will continue once the association members have raised their equity contributions.

The Good practices that were identified during the Initial Formation of Community Based Enterprise are as follows:

- Private and Public partners assisted the workers in initially organizing and preparing them in setting up an association.

- The speaker discussed first to the Coco Coir workers the proper perspective and understanding on what an association is and how it functions and the features of a worker’s association before helping the set-up their own association.

- The use of Native language of Tagalog during the training to ensure that the message was conveyed and understood by the participants.

Some of the lessons learned that could be used for further improvement of the Initial Formation of Community Based Enterprise are:

- Commitment to the work is important for the residents to transition from being trainees and workers to establishing their own business.
• There needs to be one or two individuals in the group who are respected and have the vision to steer the workers towards organizing themselves for a business venture.

• From the pool of workers, there may be a few individuals who have the drive to excel or exhibit leadership and entrepreneurial abilities. These should be the focal points for assistance in developing the community enterprise for the group.

• The use of established products and technology of private partners in the formation of community based enterprise is essential to the sustainability of the enterprise.

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