Social Enterprise Integration: The Case of Consuelo Chito Madrigal Foundation (CCMF-Bikol), Philippines

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Abstract:
This short case looks at the fundamental dynamics of social enterprise integration in the context of Consuelo Chito Madrigal Foundation in the Bikol region, Philippines. Grounded on the belief that philanthropy creates productivity and charity enables capability, the case addresses the question of why social enterprise integration and close formative equivalents have influenced phenomenal scaling up of shared value within the enterprise. Results report the ability and power of CCMF-Bikol to utilize the Five Capitals model as basis for understanding sustainability relative to the economic concept of poverty alleviation through wealth creation.

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Introduction

Global efforts of founding social enterprises to integrate economic and social value creation has emerged in an unprecedented scale in the last two decades. These efforts are reinforced by increasing convergence of impact investors and business entrepreneurs who combine commercial success in industrial groups and in individual entrepreneurial ventures that use economic wealth for the good of the community or for social progress to combat poverty in a global scale. This phenomenon has received a great scholarly attention for critical analysis and review of both theoretical and empirical synthesis on the idea of social entrepreneurship (Busenitz, West III, Sheperd, Nelson, Chandler, & Zacharakis, 2003). Entrepreneurship as a process of creating new idea with value, and assuming the risks and rewards (Hisrich, Peters, & Shepherded, 2008) has also attracted interest of other researchers (Dees and Elias, 1998; Thompson, 2002; Alvord, Brown, & Letts, 2004) for fostering economic and social value creation. In view of this development, Williams (1999) argued that increasing interest in entrepreneurship as a new discipline has stimulated community leaders’ belief that it will be the defining trends of the 21st century. Similarly, the growing scholarly interest in social entrepreneurship has also, for over the last few years, influenced successful business entrepreneurs to have dedicated their substantial resources in support to social entrepreneurship programs. This movement has created the notion of social responsibility among social entrepreneurs to provide the possibility and opportunity to transform the bottom of the pyramid market into a profitable state (Pralahad & Hart, 2008). Pioneering in these efforts were the global efforts of Ashoka,
founded by Bill Drayton in 1980 providing seed funding to entrepreneurs with social vision (http://www.ashoka.org); the integrated activities of Grameen Bank in Bangladesh founded by Muhammad Yunus in 1976, eradicating poverty and empowering more women to participate in multiple economic activities and the development of community-led programs (http://rameen-info.org). In the Philippine setting, the Chito Madrigal Foundation, Inc. was envisioned to provide business-to-business integration of social enterprises that are aimed to uplift the quality of life among the participants in the community.

**Historical Foundations**

“I consider myself blessed in these children of God. They have been orphaned by poverty, injustice, ill-fortune and I have been privileged to embrace them, to share with them my good fortune. Like all others, they are also my children, in the best and highest sense of the word.”

- Chito Madrigal, founder of the Consuelo Chito Madrigal Foundation

In July 11, 1997, the Consuelo Chito Madrigal Foundation (CCMF) was founded by Doña Consuelo “Chito” Madrigal, a well-known banker and an heir of one of Philippines’ richest industrialists- Don Vicente Madrigal. Driven by her vision of helping Filipino families rise from poverty through charity, the CCMF aims to provide livable environments that create opportunities for the improvement in the quality of life of its people. She was inspired by the belief that philanthropy creates productivity and that charity enables capability. This conviction led her to open doors to the marginalized of society and let them “enter into the sphere of economic and human development.”

The CCMF is structured in such a way that its resources, capabilities and services to communities could reach with high impact to target strategic locations in the country. The foundation’s main thrust is to carry out the comprehensive 10-year development plan for Bicol, Bulacan, Sorsogon and the Payatas Demo Campus, a learning hub or a “university for the poor.”

Its major role is to engage local communities in the design and delivery of their products and services that meet their current and future needs. These include among other things, the creation of local jobs, rebuilding homes and lives in severely distressed areas, creating opportunities that spur economic activity by producing goods and services that directly address the needs of the poor and restoring human dignity through sharing of responsibility, accountability and transparency of actions taken (Kreiner, 2013). Through the efforts of the President of Ateneo de Naga University, Reverend Father Joel E. Tabora, S.J. and the leadership of Most Reverend Leonardo Z. Legaspi, O.P., D.D., the Archbishop of Nueva Caceres, CCMF- Bicol was formed. The foundation was legally listed as a non-stock and non-profit organization entering the social arena as a flagship implementing arm of the Consuelo Chito Madrigal Foundation to directly respond to the basic needs of the poor in the Bicol region (http://www.chitomadrigalfoundationmain.org). In 2004, Doña Chito approved the release of Php 200 Million grant for Bicol. The foundation’s Bicol branch was envisioned to uplift the lives of the poor in the region. It is located in the South-Eastern part of Luzon Island, almost 300 miles South of Manila and ranked as the third poorest region in the country. According to the Philippines’ National Economic Development Authority (NEDA, 2012), 46% of Bicol's population live below the poverty line. Bicol has six provinces: Camarines
Norte, Camarines Sur, Albay, Sorsogon, Catanduanes and Masbate. Of these six provinces, Masbate has the highest poverty incidence (62.8%) followed by Camarines Norte (52.7%); Catanduanes (44.7%); Camarines Sur (42.60%); Sorsogon (41.40%) and Albay (39.6%). With the regions’ modest economic performance (2.8% growth), the poor will be unable to rise above and hurdle poverty (NEDA, 2012). The grant was expected to spur the creation of various social ventures providing housing, livelihood, micro financing and capacity building programs which are envisioned to maximize social benefit by creating social value (Mair & Marti, 2006). It was also about this time that the Global Social Benefit Incubator (GSBI\textsuperscript{TM}) report accounted social ventures around the world and found that in Southeast Asia, 21% of the social ventures obtain their funding from grants and 24% obtain their funding from donations thus, following the private contributions business model archetype (Wooley, Bruno & Carlson, 2013).

In the second quarter of 2010 the United Nations Development Programme (UNDP) launched a new poverty measure and used the Multidimensional Poverty Index (MPI) in monitoring the progress of human development involving health, education and living standards. Based on the weighted indicators, the report captured an aggregate rating of 33% or more as multi-dimensionally poor, thus prone to suffer extreme deprivations. In the Philippine context, the Bikol region is classified as one of the depressed regions in the country with more or less 60% of over five (5) million people exposed to extreme poverty, being classified as within the base of the pyramid (BoP). This means that the likelihood of higher incidence of malnutrition, harsh living conditions, poor access to basic services such as, housing, food, health, sanitation and education, is prevalent (Hammond, 2013).

This article is an attempt to carefully examine the case of CCMF-Bikol as a social enterprise paving the way to report some empirical evidences that distinguish characteristics of social ventures not only in their funding sources and missions but also in the enactment of their economic goals, specifically the articulation of concrete methods used to accomplish their specific goals. Using the lens of Five Capitals Model\textsuperscript{6}, the case provides the nexus of sharing evidences supporting that social ventures assemble and employ resources to enact their missions (Zahra et al., 2009). Relative to resource mobilization and mission enactment, exhaustive discussion has already been explored in the article: Social Venture Business Model Archetypes: Five Vehicles for Creating Economic and Social Value (Wooley, Bruno & Carlson, 2013).

In particular, CCMF-Bikol as a social venture provides a basis for understanding sustainability in view of economic concept of wealth creation or capital. Like any other socially oriented organizations, CCMF Bikol needs to use capital to deliver its products and services to accomplish its mission and become sustainable. As a sustainable social enterprise, the challenge is to maintain and where it is possible, enhance these stocks of capital assets rather than deplete them. The use of capital assets may also allow social enterprises to develop their vision which articulates what the social enterprise needs to do in order to maximize value. Capital has five dimensions; natural, human, social, manufactured and financial. However, social enterprises need to consider the impact of its activities on each capital dimensions in order that tradeoffs can be avoided and therefore attain socio-economic balance.

Doña Chito’s Biographical Sketch
Doña Chito was born and raised in the old Ermita, Manila during the pre-war years. Her childhood days were painted by colorful comforts of a privileged life accorded to her by her parents who were hardworking, warm and affectionate. Her father, the late Don Vicente who originated from Ligao City in the Province of Albay struck fortune over trading of coal, oil and sugar which hailed him as one of the industry’s leading founders of business conglomerates in the country. Her mother, the late Doña Susana Paterno was a simple housewife and a dressmaker from Quiapo, Manila. Doña Chito was married to former Ambassador Manuel Collantes who died on May 28, 2009. Doña Chito is the fifth of the seven children in the Madrigal family. On account of her upbringing, she wrote:

“We learned early on what was right and what was wrong, the things that were simply not done, like being cruel or unfair, and the things that must be done without thinking twice, like being decent, honorable and kind. We simply had the best education that money could buy”.

Doña Chito had her grade school and high school years spent at the Assumption Convent in Ermita. In addition to her academic interests, she also pursued private lessons in painting, singing, playing the harp, tennis and to include, horseback-riding. In 1940, she completed her Bachelor of Science degree major in Commerce, *Summa Cum Laude*, at the Pontifical University of Santo Tomas. Shortly before the Pacific War broke out which was followed by the untimely death of her mother, Doña Chito, she, together with her three other siblings moved to the United States through her father Don Vicente. While in Pennsylvania, she took additional preparatory courses before entering law school at Rosemont College. Eventually, she finished her law studies at the Catholic University in 1946 with top honors. After graduation, she immediately landed on a job at the Department of Interior Ministry in Washington D.C., and was likewise admitted as a qualified attorney and counselor in the United States Court of Appeals in the same year. But with the ever-growing interest of the Madrigal family business in the Philippines, she was called by her father Don Vicente to take on the job of handling the Madrigal Holdings which included real estate, cement, oil, coal and media subsidiaries. Having been raised as a devout catholic, she regularly heard Sunday Masses and nurtured a special commitment to financially support individuals who are called to the priesthood. One day, a certain Father Gerard Deveza, dubbed “The Healing Priest,” delivered a homily on how the affluent could use their wealth to benefit society. Among the church-goers in that special healing mass were the affluent parishioners of Santuario de San Antonio Parish in Forbes Park, Makati.

Father Deveza shared his mission experience in helping destitute communities in Bicol. He solicited for more funding to support his cause. Unknowingly, among the church-goers that day was Doña Chito and was deeply moved by the homily. Immediately after the Mass, Doña Chito summoned her nurse to see the priest in the sacristy for an audience with her. After the priest explained his education program in Sorsogon, Doña Chito donated P1 million (or US$45,000) to build a school. In 1997, the Catholic Church conferred on her the highest award on lay Catholics for manifesting exemplary commitment in serving the local Church. She was made Dame of Saint Sylvester conferred by Pope Benedict VI. From this standpoint, she took a more lofty vision of finding better ways of effecting and helping more Filipino families out of poverty, which gave birth to her anti-poverty thrust. This vision led to the founding of the Consuelo “Chito” Madrigal Foundation in July 11, 1997.
The CCMF-Bikol

The Consuelo “Chito” Madrigal Foundation—Bikol (CCMF-Bikol) is a subsidiary of the Consuelo “Chito” Madrigal Foundation (CCMF) company based in Makati City, Philippines. It was made juridical in 2004, when Doña Consuelo “Chito” Madrigal approved the grant of PhP 200M (US $9M) for Bikol. In a trance release of funds for the next ten years, Doña Chito approved the PHP 20M (US $900K) annual release for CCMF-Bikol project. As Marge C. Enriquez (2009), a Philippine Daily Inquirer correspondent captured on her column: “In 2004, the CCMF became a reinvigorated organization”. Enriquez further discussed in the same column how, according to Montinola, “Tita Chito wanted it to be more focused. After succeeding in business, she had reached the stage in her life when giving back was her primary focus. Enriquez traced the development of the foundation. Doña Chito then began contacting people she had faith in and formed the board of directors which consists of Eduque, chairperson; Montinola, president; corporate secretary and lawyer Christopher Garcia, Sony Pacardo, and grandnephew Jonjon Rufino. The board chose to help priests who had parishes and ideas for programs rather than build the foundation from the ground. They sought the help of Father Joel Tabora, president of Ateneo de Naga and Fr. Wilmer Tria to execute CCMF’s programs in Bicol, while Fr. José Mario Ladra served Bulacan. Trust was the factor that made all the money go directly to the poor, not personal agenda or publicity.”

In most interviews, what surfaces was the vision of helping “the poorest of the poor” and restoring their dignity not through dole-outs, but by teaching skills and providing the means to make them self-reliant. Doña Chito handpicked Ma.Socorro “Corito” Bautista as CCMF’s executive director. Bautista recalls: “She wanted to elicit the good in each person by alleviating poverty, but imbued with Christian principles.” A management contract with Bautista’s own Defending Family Values Foundation to run CCMF was forged. “Everything we pay the foundation goes to her foundation, not her salary. This is where Tita Chito’s business mind is at work. It has the lowest administrative cost in the Philippines,” says Montinola. The services of the board of trustees and priests are voluntary. Bautista designs, monitors and evaluates the programs and coordinates with the board. The foundation’s main thrust is to carry out the 10-year plan for Bicol, Bulacan, Sorsogon and the Payatas Demo Campus, a learning hub or a “university for the poor.”

Most Rev. Leonardo Z. Legaspi, O.P., D.D., and Fr. Joel E. Tabora, S.J. were named by Doña Chito as co-directors for Bikol. Archbishop Legaspi and Fr. Tabora chose Fr. Wilmer S. Tria as Program Manager. In 2005, after one year of operations, CCMF-Bikol proposed a 10-year Plan where CCMF-Bikol commits to become self-sustaining after it has received the PhP 200M grant from CCMF. However, the grant would be released to CCMF-Bikol in a period of 5 years, instead of 10 years at PHP 20M annually as originally planned. Doña Chito approved the 10 year plan.

The implementation of the 10-year development plan paved the way to the CCMF- Bikol’s making a long term plan thereby ensuring that its pro-poor programs would have a lasting impact in the lives of poor Bikolanos. Among the landmarks of the 10-year plan was the construction of the 4-storey Madrigal Center for Social Entrepreneurship in the Ateneo de Naga University Campus. In 2008, after her death, Doña Chito’s nieces, Susana Madrigal—Eduque and Atty. Gizela Montinola took the reins of the Foundation as Chair and President, respectively.

In 2009, CCMF-Bikol was incorporated as a separate entity with Most Rev. Leonardo Z.
Legaspi, O.P., D.D. as Chair Emeritus. Juan Vicente D. Rufino, Dona Chito’s grand nephew, was appointed Chair and President. Fr. Tabora was appointed Vice-Chair. In 2010, Fr. Primitivo E. Viray Jr, SJ assumed the Vice Chairmanship when Fr. Tabora was assigned to the Ateneo de Davao University.

Building the Social Fiber

The impetus to fight poverty through social entrepreneurship rippled through targeted communities in several flagship programs that seek to respond to their immediate needs, enhance their human dignity and build their individual self-esteem to enable all of them to be self-sustaining. Among the initiatives are providing the communities life-skills, livelihood trainings, housing, microfinance and scholarships. To ensure lateral effect, the foundation sought strategic partnership with highly trusted Institutions like Ateneo de Naga University, Archdiocesan Parishes of the local Church of Nueva Caceres, Non-Government Organizations (NGOs), and other foundations with proven track record and expertise in the deployment of a housing program, micro financing to the poor, scholarship program and community development efforts.

The Housing Program

The housing program promotes the value of private ownership. It is the cornerstone of independence and stability of every family served. The program provides affordable acquisition, ownership and opportunities for individual capital formation. The program has established the CHITO (Christian Housing Integrating Trade and Ownership) Communities in various locations. It has developed a housing program that allows every beneficiary to get attracted to the site acquired by the foundation, enable the beneficiary to see the environmental development of the site and monitor the construction of the house for each beneficiary and have the option to avail the shelter package through a rent-to-own scheme for a maximum period of 20 years. After full payment, the beneficiary will be issued certificate of ownership. The beneficiary will be declared as owner of the house and lot as indicated by a land title registered on his name. In addition, the housing program has a provision for every beneficiary to engage in livelihood or income generating projects in order to augment their usual income and enable them to pay their monthly amortizations. Every household or family dwelling is required to put up and operate their own enterprise within their home lots. For an interested individual to qualify for this program, the applicant must have at least PhP15,000.00 (US $334) household income per month where the monthly household income poverty threshold is pegged at PhP17,146 in 2009. Further the applicant is not qualified to avail of government housing loan packages being under low income brackets. In as much as the program operates on a rent-to-own scheme, each beneficiary must have the capacity to pay the monthly amortization which ranges from PhP4,000.00 to PhP8,000.00 per month (US $89 to $178). In the initial phase of the housing program, there were two CHITO Communities formed: First, (1) Vicente Heights, a sub-urban sub-division compound located in Pacol, Naga City, Philippines. The site has a total land area of four (4 has.) hectares with one hundred-four (104) household beneficiaries. Each beneficiary availed of a three hundred (300m²) square meters lot equipped with a twenty-four to thirty (24- 30m²) square meters floor area housing facility. The village housing facility has full occupancy with 98-
99% collection efficiency since 2008. Second is the Madrigal Subdivision, a sub-urban dwelling located in Vinzons, Camarines Sur, Philippines. The Village is two (2) hectares and could accommodate 47 household beneficiaries. Currently, all houses are fully occupied and collection efficiency is maintained at 99% to 100%. In less than ten (10) years the CCMF-Bikol has provided over one hundred and fifty (150) households for families. According to Father Wilmer Tria, the CCMF-Bikol Manager, the management of the foundation is now sketching another ambitious housing project on the drawing board. In the next ten (10) years, the foundation will embark on its housing expansion program which is twice as big as the existing development. It is expected to benefit over three hundred (300) more household beneficiaries.

In the meantime, to ensure that all beneficiaries of the program are able to meet their obligations and consistently comply with the requirements, beneficiaries undergo a formation to build ethical values. Through the CCMF-Bikol mobilization staff, the two existing villages were clustered into several groupings or cells of households. The local Catholic Church’s Basic Ecclesial Community Model (BEC) of evangelization and formation has been adopted to stir group dynamics and conversation among members of these cells of households. Each cell is composed of five to ten (5-10) member beneficiaries who meet regularly on a weekly basis for information-sharing on relevant issues affecting human conditions, specifically in areas of health and sanitation, environmental upkeep, new economic opportunities, emerging social realities and current events, skills development and communal relationships. But, central to the BEC model is the formative element of developing human capital grounded on communal spirituality. This communal spirituality is pivotal to enable social participation of sharing and believing on every member’s capability that contributes to the attainment of the common aspirations and, possibly minimize or dissipate reputational costs. Through these formative elements that sustain cohesiveness and solidarity among beneficiaries, the foundation is able to channel effectively relevant training and development efforts that provide lifelong learning. In the course of its operations, high respect for human rights and ethical values deeply rooted on cultural contexts are among the forefront of communal conversation. Rationally, an expansive discussion on the internal group dynamics in the formation process of group learning and changing can be explored also in the theory of collaborative effectiveness (Martin Hays, 2013) where certain groups expect higher rates of performance than individual contributions. This is attained by engaging every team members into the learning pyramid (TLP Model), a process oriented model which suggests that group members must always engage in constant dialogue (situational diagnosis) among themselves, conduct reflection (monitoring and evaluation) on their common experiences and, mindfulness (focus on commitments and tasks at hand). Likewise, high regard in education towards ensuring health and safety arrangements provide wholesome security and mental well-being among individuals. These are the very foundational elements by which, the CCMF- Bikol as a foundation, provides access to new knowledge, varied opportunities that usher more satisfying work environment and provide access to a new venue which allows for and affirms individual capital contributions that further support the community’s active involvement in society. In particular, accounts of two beneficiaries show how the housing program created impact on their lives (Appendix B).

**Micro Financing Program**
The Micro Financing program promotes entrepreneurship and self-reliance. This is a statement that somehow defines Muhammad Yunus (1990) contribution throughout his life. Yunus championed micro-financing to negate the fact that the poor, dis-advantaged and economically displaced can only be helped out through dole outs. Yunus firmly believed that individuals who may be considered poor might be entrepreneurial and that, the only way to enable them to participate in some productive engagement is through microcredit which later on took a boom in Grameen Banking. As Wimmer (2013) puts it, micro credit financing was an exotic approach in development efforts that is directed towards the poor. In the context of CCMF-Bikol, Wimmer precisely captured the descriptions she labelled on the poor as being passive victims of poverty, being economically dislocated, ignorant and ill-mannered. CCMF-Bikol took the uphill challenge of believing and living on Yunus’ mindset. The CCMF-Bikol experience is simple demonstration of a positive stance on providing innovative solutions to local problems by particularly sustaining and improving access to financial capital. Its presence ensures that the wealth created among its members directly benefit improvement in their quality of life and that, the economic gains reaped out of manufactured capital, in the forms of organizational activities, loan products and services could reach global effect to society.

The CCMF-Bikol started as a modest microfinance program by adopting the Grameen Micro Lending Technology in 2005 through strategic partnerships with other existing socially oriented enterprises such as the Social Action Center of Legazpi, Inc. (SACL,Inc), Countryside Multi-Line Cooperative (CMLCo), Socio-Pastoral Action Center Foundation, Inc. (SPACF, Inc.), Bicol Alternative Credit and Savings Cooperative, Inc.(BAC&SCo, Inc.) and the Diocese of Masbate Social Action Foundation Inc.(DMSAF, Inc.). These partners became the jump-starting pad as social capital network in providing initial funds for lending. In 2008, the Ateneo de Naga’s Community Development Foundation, Inc. (CDFI) merged and was absorbed by CCMF- Bikol Micro Finance Unit (CCMF-Bikol-MFU). This merging has strengthened the foundation to spin-off its operations phenomenally by reaching a client-base of over 3,000 active loan members. By the first quarter of 2011, the MFU took innovative measures of enabling the micro-financing program as more competitive to its rivals in the industry. The MFU started to offer fortified credit loans and products with insurance clause. In the past few years, MFU took aggressive steps in expanding its operations. New branch offices were established, one after another, in neighboring towns all across the Bikol region and made rural banking accessible to the poor.

The foundation started the lending program for start-up capital ranging from Php 5,000- 50,000 (US $100 – $1,000) thousand pesos to individuals who possess entrepreneurial qualities and who are willing to engage in small business ventures. On the one hand, a parallel window of micro credit was also opened for existing micro-entrepreneurs who commit to become members of the program and attend weekly education drive provided in respective micro-financing centers. Livelihood loan packages are also available. The amount also ranges from Php 3,000 to Php 20,000 (US $65- $500) payable over a period 6 months at a rate of 3% per month. CCMF-Bikol also provides multipurpose loans and instils the value of savings by collecting Php 20.00 ( US $0.45) per week compulsory from among all its members. This tied-up savings measures may be withdrawn only when the individual ceases to become a
member of the program. As of December 2012, the program has reached into 37 parishes as microcredit financial centers in the Archdiocese of Nueva Caceres, benefiting 4,683 members with consolidated loan portfolio amounting to over PhP 15M (US $ 334,000) pesos.

**Scholarship Program**

The CCMF-Bicol Scholarship program provides scholarship for graduates of high school who want to pursue a Baccalaureate program leading to a Bachelor’s Degree at the Ateneo de Naga University. Originally, the scholarship was limited only to students who wanted to specialize in Entrepreneurship or Business Management. However, in the first semester of SY 2012-2013, the program was expanded and started to accept scholars who have other inclinations in Education and Accountancy. The program expansion was solely intended to increase the pool of highly qualified professionals who have acquired superior level of intellectual capital and knowledge management skills which are increasingly recognized as key intangible creator of wealth and strong accelerator in adding value to per capita income. Once a student candidate is accepted as a scholar, the student will enjoy free board and lodging at the Madrigal Dormitory which houses over fifty (50) scholars annually. As of March 2012, the program has graduated seventy-five (75) graduates, eight (8) of whom graduated as Magna Cum Laude and forty-nine (49) as Cum Laude. Currently, there are 37 scholars.

As originally practiced by the founder, a unique feature of the scholarship program is the special attention given to students who wanted to pursue courses that lead to the priesthood and religious life in the Archdiocese of Caceres and in any other dioceses in Bikol. The scholarship is usually granted for a 2-year course in the graduate school with specialization in MBA for Socio-Pastoral Entrepreneurship. Mindful of the leading role that priests and religious have in the formation of character entrusted to them in the community, the foundation believe that the scholarship would encourage and initiate entrepreneurial opportunities in the parishioners, thereby getting involved in wealth creation. Since 2008, fifty-five (55) priests and religious have already successfully completed the program.

**Madrigal Integrated Farming and Training Program**

The Madrigal Integrated Farming and Training (MIFT) program is the fourth and the most recent initiative introduced by the Foundation in 2013. The program addresses rural farmers’ pressing need for food security and sustainable agriculture. Considering the adverse effects of climate change to the global environment, farming has become one of the most pervasively waning and neglected occupations. The proliferation of unsustainable farming practices such as over infusion of inorganic fertilizers, the increasing depletion of nutrients found on natural soil, absence of crop insurance facility, poor credit access, frequent flooding and erosion, made farming an unattractive and very frustrating business to venture in. The government’s failure to address these urgent issues has created the impetus for the CCMF-Bicol to design and introduce reverse innovations that will eventually avert negative trends in farming. The Foundation has identified two farm demonstration and training sites - (1) Barangay Daculang Tubig of San Fernando town; and (2) Barangay San Gabriel of Pamplona, both in the province
of Camarines Sur, Philippines.

**Daculang Tubig Farm Demo & Training Center**

Daculang Tubig Farm Demo & Training Center operates primarily to attract, encourage and train existing farmers within the locality to learn and adapt the Madrigal Organic Farming Technology. The farm is run by two full-time staff who have strong backgrounds in organic farming. Organic farming operates on the idea that all factors considered in the cultivation of crops and any other forms of productive implements must undergo natural processes of growth and decay. At present, the farm produces organic rice, various high-valued vegetables, fattened swine, and tilapia. Adherence to fractal production chains in integrated farming enables farmers to operate at zero waste management level whereby the accumulated waste of a high-valued crop becomes a major determinant of success of another. This process includes the cycle of matter transformed into carbon and, carbon into energy and, energy that is transformed into a new life. Judicious choice of harnessing natural capital could lead to reduce dependence on inorganic fertilizers and therefore, cost in farming is significantly reduced. Likewise, engaging into this practice promotes cultivation of innovative ways of using other forms of renewable sources of energy that enable life to continue in a balanced way. But, this practice may not be true to other forms of waste management systems that involve reduce, reuse and recycle principle. John Bussey (2014), an executive managing business editor of The Asian Wall Street Journal reported that discussion concerning garbage processing that goes into recycling now costs more than what companies can charge for the products that come out the other end. This condition applies only in synthetic recycling system where natural processes are not observed to take place.

Ultimately, Daculang Tubig Farm Demo is envisioned to benefit a good number of farmers in the next coming years. Integrated farming advocates for the use of renewable sources only from well-managed and restorative ecosystems. Packaging the farm into this direction will certainly showcase an eco-tourism site in the future, worthy of admiration.

**Madrigal Poultry and Vermi Farm**

The Madrigal Poultry and Vermi Farm is located at Barangay San Gabriel, Pamplona town of Camarines Sur Province. The Farm is envisioned to be the training and demo center with a newly acquired property by the foundation and equipped with a tunnel vent that can accommodate 23,000 heads of fowl for every growing season. The farm is projected to be the fund source for the training center in the next few years. It is expected that before the end of the year 2014, the whole facility will become operational.

**Notes**

1 Doña Consuelo Madrigal is more popularly called by her nickname, Chito.

2 Honoris Causa citation on the 65th Commencement Exercises of Ateneo de Naga University, March 2012.
Description of the CCMF offered its 7.5-hectare property located at Payatas dumpsite as a learning and livelihood hub to cover children’s learning, nutrition, computers, teacher training, culinary courses and a multipurpose area – also positioned as Payatas CSR Demo Campus project.

CCMF-Bikol - the case in point, is one of the four major priority projects of the Consuelo Chito Madrigal Foundation based in Makati City, Philippines.

Five Capitals Model is a scientifically-based approach suggested by the United Nations to enable organizations sustainably manage organizational resources by minimizing risk and optimize opportunities.

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