

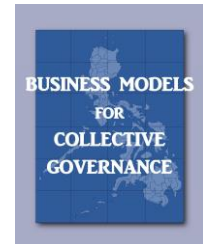
# Business Models for Collective Governance

## Chapter By Chapter Summary

334 pages

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**Part I** defines what is a business model; and demonstrates how it is applied in the private and the public organizations and provides alternative funding solutions that are mostly outside the domains of the traditional international and domestic funding institutions. However, these funding models provide the mechanisms for leveraging the traditional international financing facilities that are available.

**Chapter 1** reviews the available literature related to business model, in particular, its definition and application in business organizations and development enterprises.

**Chapter 2** is the establishment of the Rural Infrastructure Investment Fund, which is a structured and an organized mechanism for generating and managing the funds for development enterprises.

**Chapter 3** is a business model that translates all the foreign assistance for development, particularly in agricultural and rural development, into financially self-sustaining investments. The enterprise itself is directly accountable to repay the loan, not the sovereign government.

**Chapter 4** introduces the application of the infrastructure bond and pooled financing facilities in building rural infrastructure. These funding facilities are available not as loans nor they do not require collaterals, and therefore the investments are off the book of the sovereign debt of the national government.

**Chapter 5** introduces the “Swiss private banker” as an alternative but a reliable banking institution. Although this funding facility offers the loan secured by a sovereign guarantee or a bank guarantee, the cost of interest, the much faster time in the negotiation, and the flexible terms of repayment are highly advantageous to the projects and their intended beneficiaries, to the government, and to the partner private sector. The loan being offered is one of the best alternative funding models.

**Chapter 6** discusses the on-going reset in the global financial system by presenting relatively unknown historical facts. Brief historical accounts of the Bretton Woods Conference of 1944, the Historic Bonds, the Private Placement Program, and the U.S. Petrodollar are presented. The chapter presents the reset of the global financial system as vital in the opening up of new opportunities for the funding of development undertakings all over the world.

**Part II** presents business models that build and maintain infrastructure vital to national development. Most of these development infrastructure models have never been tried in the Philippines according to the technologies, management systems, ownership arrangements, funding arrangements, and the monetary value and physical scale of the facilities.

**Chapter 7** is a business model that creates the Engineering Brigade Development Corporation. The resulting corporation is a public-private partnership entity engaged in constructing government infrastructure projects such as roads, bridges, waste-to-energy facilities, and other vertical projects.

**Chapter 8** is an infrastructure model that builds and maintains a network of food and bioenergy park facilities for agricultural modernization. The models in the Netherlands and in India are used. These facilities serve as the core development infrastructure of the national agricultural modernization agenda of the Philippines.

**Chapter 9** builds a network of waste-to-energy infrastructure that employs plasma gasification technologies or any other more advanced but economically efficient waste-to-energy technologies.

**Chapter 10** is a business model that builds an assembly plant for simple knocked down (SKD) units of electric buses serving as the core infrastructure of an integrated bus assembly, bus cooperative, and bus dealership system in support of the bus and jeepney re-fleeting program in the entire country.

**Chapter 11** is a model community-based research and teaching hospital infrastructure for replication in selected sites in the country, which are mostly in university towns.

**Chapter 12** is a housing project, which is a planned community. This business model for housing development is supported by a warehouse store that retails housing components and materials.

**Chapter 13** is a business model for an integrated infrastructure that addresses the perennial problem of flooding in the Candaba Swamp /Candaba Delta areas. At the same time, the infrastructure creates economic opportunities with ecological dimension. The integrated development infrastructure include flood control, irrigation, toll highway, tourism, housing, agriculture and aquaculture, and agroforestry that benefit the swamp and delta areas and the upstream communities.

**Part III** presents business models that follow the integrated community-based development process for specific industries in the Philippines.

It starts with an outline of the model integrated rice milling district for hybrid rice as the solution for achieving national rice self-sufficiency in **Chapter 14**. The integrated services in the milling district, which include seed production, farm mechanization, technology transfer, and marketing all cluster around the integrated rice processing center. The center also provides an easy access to agricultural input, credit, and marketing assistance services.

**Chapter 15** builds the business infrastructure for a more efficient delivery of agricultural input and services for the users through the warehouse store approach. The business model provides alternative means of supplying farm input at a reasonable price, and at the same time, a technology transfer conduit is established.

**Chapter 16** is about the development of the coconut industry. The business model focuses on the community-based approach to the rehabilitation of the industry. In the process, the model recommends the restructuring of the Philippine Coconut Authority by adopting a new business model for its transformation to become a financially self-sustaining institution.

**Chapter 17** is about the model agroforestry project that employs the community-based approach using the line planting technology. This technique is a unique system in reforestation that profitably combines commercial trees and agricultural crops and incorporates site compatibility, optimum growth rates, competing for land-use, and rural income. Trees are planted in lines with a spacing arrangement of 10m X 1m or 15m X 1m, facing an East-West direction to maximize the sunlight entering the alleys.

**Chapter 18** builds the community-based integrated gold mining, processing, and trading facilities to be located initially in three sites in the Philippines. The sites, one each in Mindanao, Masbate, and Cordon, Isabela are for consideration. In Mindanao, the site is in Davao del Norte for being strategically located to serve the Agusan, Surigao, and Davao Provinces.

**Chapter 19** follows the community-based business model for the marketing of products from the Philippines to the U.S. and Canada through the U.S. Foreign Trade Zones. Products from the

Philippines, which include mango, carrageenan from seaweeds, coconut coir fiber, abaca fiber, and bamboo are exported to the U.S. in semi-processed forms and further processed, packaged, stored, re-labeled, sorted, graded, or assembled in the U.S. FTZs to avail of duty free incentives on the one hand, and to gain better access to technological, financial, and marketing support services that are readily accessible in the U.S. on the other hand.

**Chapter 20** draws the agribusiness complex business model that serves as the nucleus of an agro-industrial estate for the Sierra Madre Mountain Range area in the province of Nueva Ecija. The complex operates a feed mill, an organic fertilizer plant, and processing plants for feeds, meat, fruits, and vegetables. Ethanol distillery and bio-diesel processing plant are added in line with the development of alternative sources of energy. The center has its own research and training facilities and breeding farm with modern laboratory and equipment for the integrated production system. The business structure and the facilities serve as the nucleus agribusiness center that functionally integrates the producers in the service areas with the complex.

**Chapter 21** builds an aquaculture complex with integrated operations from the hatchery to fish processing and marketing. The integrated aquaculture business is a 50-100 hectare model for replication in different sites in the Philippines, mostly in marine coastal communities. The fish complex operation is financially sustainable while it serves as the nucleus of fish farming operations in the community. The complex delivers technology transfer, hatchery, feed formulation and milling, marketing, and processing services.

**Part IV** demonstrates the role of cooperatives in the development of the Philippines by setting up a national cooperative modernization direction focused on the crafting of cooperative business models.

**Chapter 22** develops model cooperatives for the various sectors of the national economy. These sectors include the agriculture, manufacturing, banking, tourism, health, housing, transportation, and education sectors. The agenda suggests the experimentation of various models across the different geographic regions of the country.

**Chapter 23** builds a national bus cooperative that becomes one of the pioneers in the operations of electric buses for the principal purpose of contributing to the long-term national goal of re-fleeting the buses, jeepneys, and commuter vans with more comfortable and ecologically compliant electric buses.

**Chapter 24** is a generic model for a commercial cooperative bank using the Cooperative Rural Bank of Nueva Ecija, the first cooperative rural bank in the Philippines, as the model. The objective of the business model is to contribute to the reformation of rural production and marketing cooperatives and cooperative banking through organizational and management reforms.

**Chapter 25** is a tripartite business model among the cooperatives, the private sector, and the government sector in line with the development of the onion industry in the Philippines. The Onion and Cold Storage Corporation (OCSCOR) is established for the tripartite business arrangement. Onion contract growing and cold storage operations are the principal business interests of OCSCOR. The tripartite arrangement includes the establishment of the Onion Industry Investment Fund and the creation of the Onion Research and Development Center as a public-private partnership institution model.

**Chapter 26** forms an umbrella cooperative for the veterinary and animal husbandry services providers. By still maintaining their own operations and guided principally by the 'one man one vote' practice in a cooperative, subsidiary units for veterinary drug importation and manufacturing, animal breeding, feed processing, waste management, and financing are established by the umbrella cooperative as semi-autonomous business operations.

**Part V** demonstrates business models that apply education and training solutions to national socio-economic development problems. The models are financially self-sustaining training and educational

institutions that embrace innovations leading to educational reforms in the Philippines. This part also includes the upgrading and the promotion of Philippine Studies internationally by the establishment of the Philippine Studies Center in the U.S.

**In Chapter 27**, the training center for welders is crafted to align itself with employment opportunities for welders in the manufacturing, heavy equipment, mining, oil refinery, shipbuilding, and construction industries, both locally and internationally.

**In Chapter 28**, a model science education center is designed for the Central Luzon Region in partnership with the Science High School of the Central Luzon State University. The facilities in the center include the training center and dormitories, the publishing house, and the science museum. The main objective of the center is to be the model facilities for the training of teachers who are going to train the next generation of students and fellow teachers.

**Chapter 29** is about the establishment of the College of Business and Public Governance (CBPG) that serves as the anchor institution of the Global University Program in the Philippines. This new global educational institution offers degree courses granted by foreign universities. The model is patterned after the Singapore Institute of Management, an institution that offers courses of universities from the U.S., Australia, UK, and India. As the anchor college, CBPG focuses its teaching, research, and practical training specializations in the two intertwined academic fields of business and public governance.

**Chapter 30** is a model self-sustaining state university, the Central Luzon State University. The university agenda includes the upgrading of its existing academic and research programs and the expansion program to offer other fields of Engineering and new programs in Medicine, Law, and Development Studies. The agenda employs corporate governance to become a financially self-sustaining state-run or public university.

**Chapter 31** transforms the Agricultural Economics studies in the University of the Philippines Los Baños as the cutting-edge research and academic program that unites all the academic and research programs of the university into a national undertaking for agricultural and rural development.

**Chapter 32** builds the Philippine Studies Center in the U.S., preferably in collaboration with Cornell University. The center promotes research and academic undertakings covering Philippine History, Culture and Society, Geography, Economics, Politics and Governance, Agricultural and Rural Development, Science and Technology, Education, Arts and Literature, and Business. The motto of the center is “Any person can contribute to any study for Philippine development,” which is consistent with the “any person can find any instruction in any study” motto of Cornell University.

**Part VI** demonstrates the integration of the business models for inclusive development planning and policy experiment.

The integration part starts by crafting the provincial investment agenda model for the island province of Masbate in **Chapter 33**. Geographically, the province is the central hub of the Philippine nautical highway system. The investment projects that are identified straddle the areas of agricultural support services, environmental management, financial services, infrastructure, tourism, rural industries, and healthcare.

**Chapter 34** is a national investment agenda, the Solidaridad 2020 Investment Agenda. Its goal is to establish self-propelling communities and industries via new and grand socio-economic enterprises. The agenda is divided into four parts as follows:

- Agenda 1 is the Solidaridad 2020 Main Agenda, which clusters around the food and bio-energy parks in strategic locations. This network of modern facilities provides structure and order for national agro-industrial development.

- Agenda 2 is the Solidaridad 2020 River Basin Agenda, which provides the geographical and physical planning dimensions to the national development agenda by being guided by regulatory uses of the resources of the 19 major rivers basins of the Philippines for economic and sustainable environmental utilization purposes.
- Agenda 3 is the Solidaridad 2020 Inter-island Agenda, which modernizes the maritime infrastructure nationwide, particularly all ports in the country, including fish ports; and includes the building of interisland bridges connecting the islands, and other development infrastructure in the priority islands.
- Agenda 4 is the Solidaridad 2020 Urban Agenda, which transforms the urban communities by simplifying the project planning and set up investment funds for upgrading clean water system, sustainable transport, solid waste management and waste-to-energy, sustainable healthcare, food retailing, vocational training, and urban planning and financing.

**Chapter 35** builds the framework for integrating business models in adopting the economic warfare solution in line with addressing the insurgencies and for national security by using the reconstruction of Marawi as the model.

**Chapter 36** is an inclusive disaster preparedness business model that transforms the problem of the scarcity of water brought by the El Niño climatic phenomenon into opportunities. These opportunities utilize agricultural technologies and management strategies that transform scarce water resources during drought to be productive.

**Chapter 37**, is a framework for project planning, budgeting, and implementation by way of a grand experiment that continuously tests and verifies the business models in the context of inclusive national development.

Finally, in **Chapter 38**, this concluding chapter transforms the business models and the resulting inclusive development models into socioeconomic enterprises through collective governance.