

*Benigno Beltran SVD\**

**JUSTICE FLOWING LIKE A RIVER:  
SOCIAL INNOVATION FOR A MORE JUST, PEACEFUL  
AND SUSTAINABLE WORLD**

*Smokey Mountain, the huge garbage dump of Manila city (Philippines), has a long-ranging fame for poverty, but also for self-organization efforts of the people living there. The author reports the newer developments in the struggle for a higher quality of life, particularly the purpose and functioning of the community enterprise "Veritas." Up-to-date information technology as well as the implementation of modern marketing and management tools help the community to improve their situation with a particular attention to ecological aspects, and to shift to a community- and person-centered form of economy and thus make a significant contribution in the struggle against inhuman poverty and social injustice.*

***Bringing Together the Urban and the Rural Poor***

The best way to solve global poverty  
is to allow the poor to participate  
in the systems of production and exchange.  
(cf. Pope John Paul II, *Centesimus Annus* 34)

The shaman lighted the sacred fire and murmured prayers of gratitude to their tribal gods. Grim-faced warriors with shields and spears, clad in g-strings, and tribal maidens clad in their best finery, descendants of fierce headhunters, surrounded him. They then beat on their brass gongs and danced around the sacred flames, the ground resonating with the heavy stomps of their bare feet.

Beside the flames lay a trussed black pig. The shaman took a sharpened bamboo stake and pierced the pig's throat. Its squeal of pain drowned the beating of the gongs. The pig was dressed, its entrails divined for auspicious beginnings, and pieces of meat were roasted in the fire.

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Rice wine was shared by all in coconut shells. Then dancing amidst the beating of the brass gongs began again in earnest, the warriors vying with each other to show off their muscles and physical prowess to the tribal maidens dancing in a circle around them.

When one of the tribal maidens handed me a red cape as an invitation to dance with them, I placed it on my shoulders, pranced to the beating of the gongs and danced my heart away, as I invited the whole universe to come and dance with me.

It was the celebration of a peace pact between the Kalanguya tribe from the mountains of Nueva Vizcaya and the scavengers of Smokey Mountain. Headed by then Mayor Jun Padilla of the town of Sta. Fe, truckloads of tribal people came down to the former dumpsite and brought agricultural products, hand-woven cloth, fruits from the forests and ornamental plants to trade directly with the members of the Smokey Mountain cooperative.<sup>1</sup>

It was the first of the scavengers' many attempts to trade with members of the indigenous peoples. Later, Mangyan tribes from the island of Mindoro and the Dumagats from the mountains of the Sierra Madre also brought their farm products to be sold by the members of the cooperative in Smokey Mountain.

The marketing of these products made use of technology and networking to harness the power of the free market and address social justice issues.

### ***E-Commerce in the Garbage Dump***

The e-trading network was piloted in Smokey Mountain and coordinated by Divine Word Missionaries who worked in the Parish of the Risen Christ. A group of women, informed beforehand by text messages about the retail price of a kilo of chicken, went from family to family in the Basic Ecclesial Communities in the garbage dump, asking how much they would order. The price they offered was 30% below the price of chicken in the markets where the housewives usually shop for basic commodities.

The women, called Order Taker and Delivery Officers (OTDOs), texted each order to the purchasing clerk. After all the orders were

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<sup>1</sup> See Benigno Beltran, *Faith and Struggle on Smokey Mountain: Hope for a Planet in Peril*, Maryknoll, NY: Orbis Books 2012, for a discussion of how faith inspired the scavengers to struggle for justice, peace and integrity of creation. See also the review of Beltran's books on Smokey Mountain in this issue.

in, the total number of kilos, sometimes more than 2,000 kilos a day, was sent via e-mail by the purchasing clerk to the supplier, a company producing poultry products an hour away from the dumpsite. The company replied via SMS, giving the time of delivery, which the purchasing clerk texted back to the OTDOs.

At the time of delivery, the OTDOs were already at designated delivery stations. After the containers were unloaded, each weighed the total weight of chicken they ordered, signed a receipt from the purchasing clerk, and delivered the order to each family of their Basic Ecclesial Community. After payments were received, Veritas retained 5% to pay the staff and administrative costs. The OTDOs kept 10% of gross sales.

With regard to the three bottom lines of the Veritas e-trading network—People, Planet and Profit—these were the results:<sup>2</sup> the OTDOs were able to provide cheaper chicken with assured quality, since the supplier was known to them, and delivered this to the family's doorstep. The chicken was fresh, not frozen, and the people said it tasted better. A few earned in one day what it would have taken them a month of scavenging in the trash heaps.

Este, a male OTDO who has scavenged all his life, reported that he earned in a few hours what took him several weeks of scavenging to earn. The women joked however that all he did was deliver the chicken to the neighbors. His wife did all the preselling.

Another OTDO, Geraldine Aquino, reported afterwards: "It was not only about the commissions. Going to my neighbors to explain what Veritas was all about and asking them to buy our goods deepened our relationship with them. We discussed our families and the problems of raising a family with limited budgets." Apart from improved community relationships, the pilot project in Smokey Mountain taught Veritas lessons in cost savings, reduced liabilities and enhanced the self-confidence of the sellers.

The planet profited because carbon emissions were kept low since the supplier produced the poultry not far away from the customers. Efficiency in the supply chain distribution (moving more freight at the least cost) was done through community organizations, with the help of information and communications technology. There was no need for warehouses and freezers in a just-in-time delivery system, so the price was brought down.

In this way, the poor had access to cheaper, quality commodities in a more convenient manner. Women were given livelihood opportu-

<sup>2</sup> For more details on Veritas see: <http://sustainabilityph.org> (editor's note).

nities and gained more friends. Climate change was mitigated. The urban and rural poor were given the chance to participate in the system of exchange and production in the global political economy.

One of the lessons we learned was that the value chain has to be integrated—profits will not be sustainable if the trading is a one-way street. The transport of the goods will not be efficient if the farmers will load their products into trucks which will come back empty after the goods are sold. Backloads are important for greening the value chain. We sought to partner with farmers and fishermen afterwards and organized the stakeholders into an e-trading network. We bought their produce and the parish cooperative sold them commodities that were purchased in bulk.

The greatest challenge the Veritas e-Trading Network encountered in creating a sustainable, socially responsible and profitable operation among the urban and rural poor was how to effectively manage the value chain in the trading between the rural and urban poor.

### *The Veritas e-Trading Network*

The Divine Word Missionaries have chosen working for Justice, Peace and the Integrity of Creation as one of the characteristic dimensions of their mission to proclaim the Word to the world. How can SVD missionaries help in the creation of a moral and ethical economy towards a more just, peaceful and sustainable world? The e-commerce linking the urban and rural poor to trade directly through the Internet is one of the SVD initiatives in the Philippines.

The pilot project in Smokey Mountain realized the aim of Veritas to make selling superfluous.<sup>3</sup> Veritas is not about selling basic commodities—it is about relating to customers in different ways. Veritas is about building relationships, it is a social activity rooted in community organization. Human beings are social animals who thrive on relationships, even in economic transactions.

By heeding the voice of their natural concern for others and contributing to the society that sustains them, the OTDOs also assure their own future so that economic activities will be holistic, inclusive, just and universally applicable.

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<sup>3</sup> Peter Drucker, *Management: Tasks, Responsibilities, Practices*, [originally:] New York: Harper & Row 1973, 64. Drucker taught that if marketing were done perfectly, selling would be unnecessary. Concern and responsibility for marketing should therefore permeate all areas of the enterprise.

Veritas blends community organizing with an entrepreneurial spirit by bringing the values of integrity, solidarity and creativity to bear on market decisions in a situation where the informal economy remains powerful and the survival strategy condemns the poor to marginal economic activities.

Veritas designed its business to be market-oriented, process-based and run by self-managed teams in order to help foster a clean and green planet, with peace and justice for all, as the UN Sustainable Development Goals are envisioned to bring about.

As a social innovation, Veritas converts social problems into business opportunities by establishing a permanent leadership position in the market for organic products at the bottom of the pyramid as the basis of its strategy.

Veritas is a knowledge-based, learning organization that maintains high ethical standards, releases the creative energy of the poor and insures the viability and sustainability of the network's economic performance. As an impact enterprise, it seeks the right way to create the future in the face of threats to viability and sustainability—massive poverty, war and terrorism, political instability, social unrest, financial meltdowns, and especially global warming and other forms of environmental degradation.<sup>4</sup>

To lift the poorest-of-the-poor out of poverty, Divine Word Missionaries had to engage in extensive training of the farmers and urban poor groups, teach them about entrepreneurship and the benefits of irrigation, convince them to spend their very limited savings to invest in the network so that they can engage in environment-friendly agriculture and marketing of the products.

A business that ignores environmental and social responsibility is not supporting life and therefore not fulfilling its purpose. The SVD missionaries and ex-seminarians had to discuss with the farmers and scavengers at length how to develop markets for sustainable growth and how to integrate environmental and social goals into a sustainable business model based on climate-resilient agriculture and marketing.

The experience of direct trading between subsistence farmers and slum dwellers opened the possibility for millions of Filipinos to move out of poverty with capital and knowledge they need to raise their

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<sup>4</sup> James Gustav Speth, in: *The Bridge at the Edge of the World: Capitalism, the Environment, and Crossing from Crisis to Sustainability*, New Haven, CT: Yale University Press 2008, says that economic growth tends to be associated with the increase of individualism, social fragmentation, inequality, depression, and even impaired physical health.

incomes, with the right distribution systems, and with business incentives at all levels.

We have to move our economy in a more sustainable and just direction, starting with orienting ourselves toward a new goal for the economy: not more, but better—better health, better jobs and a better chance to survive on the planet.

We have to see the economy as embedded in ecosystems. We have to understand the interaction between economic processes and social processes to solve the economic crisis. Any global emergency is connected to the others and so we need to think in terms of systems and we have to look ahead and be responsible for future generations.

### ***Why Farmers are Hungry***

Most of the Filipinos who live on \$1 a day work the land, like Leonora Vertudes, a woman farmer. She is the head of the Kolokakoloy, an association of about 2,000 families of Dumagats in Montalban, Rizal province. I asked her why they earn so little from their farms. She told me that one of the reasons is that their seeds have not been bred for maximum productivity. As a result, they get about one-fifth or one-quarter of the yield that farmers in Europe or the United States get.

She continued: “We do not have key inputs like organic fertilizer or irrigation. We do not have money to pay for additional labor or to buy farm implements. Most of all, we do not have any reliable way to sell surplus in the market. And so, we mostly produce just for our own consumption.”

Sometimes she and her children are sick for long stretches, like her daughter Rosalie, and money is always lacking to send them to school, like her other daughter, Desiree. That is how small farmers end up with \$1 a day. Due to the neglect of agricultural development over the past decades, they are often unable to grow enough to feed even their families throughout the year.

Hungry farmers—what a contradiction in terms!<sup>5</sup> It is a terrible irony that the people who grow the food are often also the ones who

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<sup>5</sup> See Roger Thurow and Scott Killman, *Enough: Why the World's Poorest Starve in an Age of Plenty*, New York, Public Affairs 2009. Thurow and Killman decry the collective failure of civilization to feed billions of hungry people when, for decades, the world has grown enough food to nourish everyone adequately (p. x). See also Lester R. Brown, *Full Planet, Empty Plates: The New Geopolitics of Food Scarcity*, New York, London: W.W. Norton 2012.

go hungry, because their crops are too paltry, or prices too low, to see them through the year. These Dumagat farmers give a human face to the economic statistics being thrown around about poverty.

Poverty is a complex problem to solve and would require addressing water and sanitation issues, improving agricultural methods and irrigation systems, running economic development initiatives, facilitating access to markets for farmers, entrepreneurial leadership training, safe childbirth courses and disease prevention, to name just a few of the puzzle pieces needed for the poor people in Smokey Mountain and indigenous peoples like the Dumagats to truly begin to overcome their poverty.

### ***Poverty Reduction and Information and Communications Technology***

Veritas combines business innovation along the whole value chain ecosystem with the power of technology to empower the poor, and restore people's connection to the value they create while protecting the environment. Its economic activities form an interconnected network powered by information and communications technology (ICT). The scaling of social impact through ICT occurs in two different dimensions.

On the one hand, ICTs can increase the value proposition of a program or action (depth scaling) in different ways: providing accurate and fast needs recognition, adapting products and services, creating opportunities, building fairer markets, mobilizing actions on environmental and social issues, and creating social capital.

On the other hand, ICTs can also increase the number of people reached by the organization (breadth scaling) by accessing new resources, creating synergies and networks, improving organizational efficiency, increasing its visibility, and designing new access channels to beneficiaries.<sup>6</sup>

The Dumagats and the Mangyans and other farmers engaged in subsistence agriculture have continually bewailed the lack of markets as their main problem. They told me that their produce often rots in the fields for the lack of a market. It is this problem that the Veritas e-Trading Network sought to address by bringing production closer to

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<sup>6</sup> Ramon Fisac-Garcia, Manuel Acevedo-Ruiz, Ana Moreno-Romero, and Thane Kreiner, The Role of ICT in Scaling Up the Impact of Social Enterprises: *The Journal of Management for Global Sustainability*, Vol. 1, No. 2 (2013).

the communities, increasing profit margins, and enlarging sales volumes.

We decided to put up a trading network that would link the Dumagats with the urban poor through the Internet. This network would generate income to support social missions, and at the same time improve the strategies and methods used to address social problems and needs.

The direct urban-rural poor linkage through digital devices reduced transport costs while providing jobs and income to the community. We planned to lower the prices of basic goods or services that are important to the poor by at least 25% or more, compared to current market prices, adjusting for major quality changes and environmental impact.

Supporting subsistence farmers, investing in the value chain, and developing entrepreneurs among the urban poor are the three components of the Veritas ecological business process. Veritas highlights inclusive value chains, the enabling environment to empower the poor, the importance of information and communications technology, global trade, and innovative approaches to value chain development.

The provision of information and knowledge through technology can fuel innovation and enable individuals and communities to lift themselves out of poverty. When suppliers of farm products understand the needs of their customers, they can be more responsive to these needs; when farmers know about changing methods of tilling the soil, they can use this to their advantage; when information about market trends trickles down to small-scale businesses, they can respond rapidly to new opportunities; and when women from the slums understand the business environment, they can become effective entrepreneurs.

The idea is to provide critical information through digital devices and then harness the creativity of the urban and rural poor to solve problems in their communities. They can then change their societies in innovative ways using a mix of entrepreneurship and innovation. The strategy is to combine the best elements of both—creativity, sustainability, cost-effectiveness, and integrity—to redefine the development paradigms of the past.

### ***Collaborative and Systems Thinking***

After countless hours of discussions and workshops, the Dumagats decided that the strategic focus should be on collaborative economic solutions. To become sustainable, economic activity has to return to

personal ways of trading that will connect consumers to the origins of the food and things they buy, as well as to the people who produce and sell them.

While acknowledging that the causes of poverty are multi-dimensional, a common causal factor of impoverishment is the lack of complete and/or functioning markets. Apart from creating markets, the trading network works to give smallholder farmers access to the essential elements of farming that for so long have been beyond their reach: better quality seeds, soil nutrients, training, financing, improved storage facilities, and most of all, marketing.

The main objectives of the e-trading network are greater productivity and improved market access, climate change mitigation/adaptation and protection of land, air, water and biodiversity resources in the indigenous peoples' ancestral domains.

These aims are particularly true for women farmers, who grow most of the food but have the least access to financial and technical support. Providing female farmers with equal rights to land and agricultural support could feed up to 150 million additional people in the world. To face these problems, the Kolokakoloy signed a Memorandum of Agreement (MOA) to participate in our trading network.

Leonora was given a small loan by women partners of our network, together with a group of Dumagat women. These women were also given cellphones to facilitate the marketing of their products in Metromanila. Her daughter Desiree, with two other Dumagat youth, were given scholarships and a laptop. She and Herman have graduated and are already teachers. Miramar is studying to be a social worker. The three are computer literate.

Two other Dumagat youth were given scholarships to study agrotechnology. These scholars help in facilitating information as to what products are about to be harvested and how much can be brought to Manila at what time. The women in the urban areas then presell the goods so that when the farm products arrive, they only have to deliver and collect payment.

### ***Vision, Mission, Goals***

The Veritas e-Trading Network is supervised and managed by the Veritas Social Empowerment, Inc., a social mission-driven wealth creating enterprise with a triple bottom line—People, Planet, Profit—

creating economic growth coupled with environmental protection and social inclusion.<sup>7</sup>

Veritas has a social purpose which is combined with a minimum threshold of financial sustainability. Its principal objective is poverty reduction and alleviation to improve the quality of life of the urban and rural poor through an e-trading network. The social enterprise embraces a distributive enterprise philosophy. Its motto is: Imagine. Innovate. Impact!

Veritas creates wealth to cover its operations and to invest in other activities related to its social mission. At the same time, it creates social and economic value that accrue to the poor as primary stakeholders. Its financial bottom line plays a supportive role to their social bottom line.

In engaging in the production and provision of naturally-grown food products, and the sale of these goods and services, the poor are engaged not only as workers, clients or suppliers, but also as partners in the Veritas value-chain ecosystem. This was designed primarily to pursue social impact, which would also be financially viable.

We realized early on that if Veritas is to make significant direct contribution to poverty reduction, its target group should be large enough and must focus on those at the bottom of the pyramid. Veritas faces the challenge of ending absolute poverty (\$1.25 per day) among the urban and rural poor. We found out that we cannot just help farmers grow more food; we had to grow a market also.

The increase of production and the sale of naturally-grown products are not the end of the story, as the partners are also very much committed to the development of the local community. Products are sourced locally, production and distribution systems are put into place to stimulate the local economy, and microfinance loans benefit local farmers, especially the women farmers. The women in the slum areas use their distribution networks to sell the products door to door.

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<sup>7</sup> For works on social entrepreneurship, see Wilford Welch, *The Tactics of Hope: How Social Entrepreneurs are Changing the World*, San Rafael, CA: Earth Aware 2008. See also Greg Dees, Jed Emerson and Peter Economy, *Strategic Tools for Social Entrepreneurs: Enhancing the Performance of Your Enterprising Non-Profit*, New York: John Wiley & Sons 2002, and by the same authors, *Enterprising Non-Profits: A Toolkit for Social Entrepreneurs*, New York: John Wiley & Sons 2001; David Bornstein, *How to Change the World: Social Entrepreneurs and the Power of New Ideas*, New York: Oxford University Press 2007; and John Elkington and Pamela Hartigan, *The Power of Unreasonable People: How Social Entrepreneurs Create Markets that Change the World*, Boston: Harvard Business Press 2008.

Veritas signed a Memorandum of Agreement with another group of about 2,000 families of Dumagats in San Jose del Monte, Bulacan, with the same duties and responsibilities as with the Kolokakoloy. The bishop of the Diocese of Cubao, His Excellency, Bishop Honesto Ongtioco, has given permission for the Dumagats to sell naturally-grown food products in the patios of the churches of 46 parishes in the diocese as soon as supplies become sustainable. At the moment, Veritas has two stores, with another one in construction. We hope to put up three more this year.

Veritas also partners with government entities because development must occur within a framework of protective legislation to protect the small farmers against price exploitation. Veritas has signed a *Memorandum of Understanding* with the Department of Agriculture (DA), Region IV-A. The DA in partnership with Veritas will enhance organic production among small farmers from five provinces (Cavite, Laguna, Batangas, Rizal and Quezon) and market these in parishes in the dioceses of Metromanila. Organic farmers from these five provinces around Manila are primed to sell their produce through the marketing infrastructure of Veritas.

### ***Management by Objectives***

The vision of Veritas is: The urban and rural poor, empowered by the principles of integrity, solidarity and creativity, are able to better produce and market quality basic commodities and other organic products to raise their standard of living and move towards a sustainable future.

The Veritas enterprise and its management uses a diversity of measures to assess its health and performance in order to fulfill its responsibility to gain the needed minimum profitability to pay for the attainment of its mission. Profit is not Veritas' primary reason for being. It is a test of the validity of its business processes and a means to make it viable.

We also found the need of a clear theoretical framework to guide Veritas' vision and strategy, and provide guidance and inspiration in deciding what core to preserve and what future to strive for. We discovered that we had to create new and uncontested markets in order to remain true to the core values that we truly and passionately hold in the effort to create the future we want. We also found out that in order for the working poor to succeed and become sustainable, support structures have to be tailored to their needs.

In order to do all this, Veritas worked to institutionalize Peter F. Drucker's management principles into the theory of its business and operating systems, to modify, contextualize, inculturate and adapt them, so that Veritas can more effectively attain its vision of changing human lives.<sup>8</sup> A healthy business and a sick society are hardly compatible.<sup>9</sup>

Veritas can justify its existence only if it is good for society, and it does so by endowing human and material resources with new and greater wealth-producing capacity. The professors and students at the Peter Drucker and Masotashi Ito Graduate School of Management helped Veritas craft a balanced scorecard to translate its strategies into measurable indicators of performance and maximize its triple bottom-line: benefit to society, impact on the environment, and financial results.

The balanced score card serves as the central framework to align goals with strategy. It enables Veritas to align its management processes and focus the entire enterprise on implementing long-term strategy.

Veritas also prescribes effective business practice by incorporating Drucker principles in all the significant functions, processes and strategies of its leadership, management and stakeholders in order to mobilize their energies and their available resources for the creation of the future. Veritas' fundamental strength will be accountability and measurability—the discipline of market test, productivity measurements and profitability requirement. These principles are taught to subsistent farmers through the Veritas Institute for Sustainable Agribusiness and to the urban poor stakeholders through the Veritas Institute for Entrepreneurial Leadership.

Veritas contributes to poverty alleviation by combining wealth creation and business opportunities through the aggregation of the buying power of urban and rural poor communities, and using cell-phones, computers and laptops to improve logistics, price performance, distribution systems and economies of scale.

Veritas promotes economic development at the local level, with local leadership, guided by a sustainable vision of justice and peace for all. Since rapidly evolving technology holds the promise of introducing affordable financial tools that can reduce the barriers to market inclusion in a safer, more effective, and transparent way, Veritas

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<sup>8</sup> P. F. Drucker, *The New Realities. In Government and Politics, in Economics and Business, in Society and World View*, New York: Harper & Row 1989.

<sup>9</sup> Drucker, *Management, Tasks, Responsibilities, Practices*.

makes use of ICT to move the poor from cash-based to electronic financial transactions, such as mobile phones, smart cards, and ATMs.

### *Innovation and Creativity*

The source of wealth has always been human ingenuity. A dynamic economic sector powered by technology and combined with business acumen is the best hope for the poor to lift themselves out of poverty, unleash the forces of creativity, initiative and imagination, and enter the circle of prosperity.

The strategic way to attack poverty is to help subsistence farmers like the Dumagats and the Mangyans increase production so that they will have something to sell after feeding their families. The path out of poverty is through unleashing the creative energy of grassroots entrepreneurship among those living on the edge of survival in the urban and rural areas.

In the next 40 years we need to almost double our food production to feed our fast growing population in the Philippines. By 2050, almost 150 million mouths will need to be fed. Sustainable growth is the way to the future, not farming based on chemical-intensive production of cash value crops for export.<sup>10</sup>

Small-scale farmers like the Dumagats and the Mangyans are critical for local food security. The Veritas strategy for sustainability is helping local community-supported enterprises among the urban poor collaborate with organic, small-scale post-carbon farming among the Dumagats and Mangyans, a method of agriculture which does not poison the water table with toxic petrochemical pesticides.

Veritas leverages existing networks that are creating vibrant new markets that serve Bottom of the Pyramid<sup>11</sup> consumers, and designs

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<sup>10</sup> The effect of these policies underwritten by Western planners for once-independent farmers from every corner of the world, according to agricultural analyst Brian Tokar are: increasing dependence on unstable world crop prices, rising indebtedness for expensive equipment and chemical inputs, and often the forced relocation of people from traditional lands that have sustained their communities for countless generations. Cited by Bill McKibben, *Deep Economy. Economics as if the World Mattered*, Oxford: Oneworld Publications 2007, 191.

<sup>11</sup> The Base of the Pyramid refers to a group of people defined in socio-economic terms. People at the Base of the Pyramid are those living on less than \$2.50 per day. This is based on the World Bank's International Comparison Program (ICP), published in August 2008. In these monetary units the internationally recognized poverty line is now considered to be \$1.25/day. In *The Fortune at the Bottom of the Pyramid: Eradicating Poverty through Profits*,

trading relationships that reach and benefit small-scale producers in a sustainable way to achieve this goal by 2030, as stipulated in the UN's Sustainable Development Goals.<sup>12</sup>

The e-trading network actualizes Pope John Paul II's encouragement to the poor in *Centesimus Annus* #34 "to acquire expertise, to enter the circle of exchange, and to develop their skills in order to make the best use of their capacities and resources."

### ***Women at the Bottom of the Pyramid***

Women are central to the process of economic growth and development. It is important for women like Leonora Vertudes and her daughters to have full access to all levels of education, be able to move up to positions of the highest responsibility in the organization, and have access to all opportunities available.

Women have to exercise their full potential and become more involved in management especially in health services because maternal health and education consistently prove crucial. Managing savings and investment as in the microcredit movement is built around responsible women who pay their debts trustworthily.

Veritas began by developing an open trading and financial system that was rule-based, predictable and non-discriminatory, and making available the benefits of new technologies especially to women.

While the program seeks funding from traditional sources, it aims to create a faith solidarity network of prayer partners where one

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Wharton School Publishing 2009, C. K. Prahalad encourages corporations to make even more profits by targeting the poor.

<sup>12</sup> See L. Hunter Lovins and Boyd Cohen, *The Way Out: Kick-Starting Capitalism to Save Our Economic Ass*, New York: Hill and Wang 2011. The authors point out examples of companies creating jobs and driving innovation towards a low-carbon economy that lead to increased profits and sustainable economic growth. The sustainability imperative is pushing these companies to implement business practices that are more responsible to people and the planet because they are more profitable. The authors contend that solving the climate crisis is the way out of the economic crisis. See also Paul Hawken, Amory Lovins, and L. Hunter Lovins, *Natural Capitalism. Creating the Next Industrial Revolution*, Boston, New York, London: Little, Brown & Co. 1999, and Lester Brown's *Eco-Economy: Building an Economy for the Earth*, New York: W. W. Norton & Co. 2001; Bill McKibben's *Earth: Making a Life on a Tough Planet*, New York: Times Books, Henry Holt & Co. 2010; Peter Senge, *The Necessary Revolution: How Individuals and Organizations Are Working Together to Create a Sustainable World*, New York: Doubleday 2008, 41, and Speth's *The Bridge at the End of the World*.

woman sponsors the membership of a Dumagat woman farmer through Veritas with a loan of \$350. The partners pray for each other, maybe even fast every now and then at the same day and hour, and communicate their joys and hopes, their fears and anxieties through letters or e-mail. The concept of prayer-partnership is a psychological advantage in the sense that the deeper underlying issues of poverty are tackled by communities of faith in the light of salvation history and guidance from Scriptures.

Veritas is a business enterprise in every sense of the word. It will leave to charitable organizations and government social services the really destitute who cannot help themselves. Serving the working poor, Veritas pursues specific social goals, at the same time making a surplus to make it self-sustaining. It will put its vision before profit while recognizing that profit is essential to its survival and growth. It will put women at the forefront in doing this.

The inspiration for the name Veritas came from the coat of arms of His Holiness, Pope Emeritus Benedict XVI, when he was Archbishop of Munich. The motto he chose was *Cooperatores Veritatis* from the Third Epistle of St. John, verse 8, "Co-Workers of the Truth." The crucial element in the unfathomable expression "co-workers of the truth" is the relationship between truth and love. We discover the power embedded in the truth so that we can create an economic system based on justice and the common good, using the principles of Catholic Social Teaching as the critical hermeneutic of economic activity.<sup>13</sup>

### ***The Global Political Economy***

In the management dimension, Peter Drucker says that the aim of marketing is to make selling superfluous (*Managing for Results*). Veritas aims at making selling superfluous literally by organizing neighborhood groups of 50-100 families from the Basic Ecclesial Communities among the urban poor, which will then choose their Order-Taker and Delivery Officers (Cooperators). Using cellphones and laptops, the cooperators post the orders of each family to a server which consolidates each item.

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<sup>13</sup> There have been several works about the public responsibility of business in organizing economic life. See, for example, S. A. Cortright and Michael Naughton (eds.), *Rethinking the Purpose of Business: Interdisciplinary Essays from the Catholic Social Tradition*, Notre Dame; IN: University of Notre Dame Press 2002; and Helen J. Alford, O. P. and Michael J. Naughton, *Managing as if Faith Mattered: Christian Social Principles in the Modern Organization*, Notre Dame, IN: University of Notre Dame Press 2006.

Through the same e-commerce platform, the purchasing personnel contact the Dumagat suppliers, close the deal if the price is right, and the basic commodities are then delivered by the suppliers to food depots. The OTDOs from the slum communities are informed of the time of arrival of the goods, and as soon as these arrive, deliver the goods to the families they serve. The families remit their accounts to the cooperators within 24 hours and they deposit these in turn with the Veritas accountant.

The Dumagat chieftains have granted permission for Veritas to use 5 hectares within their ancestral domain to be a demo farm where the farmers belonging to the Kolokakoloy will learn how to produce organic food, plant bamboo for furniture, and decorative plants like ferns, orchids and flowers for additional income. We hope this will increase production of naturally-grown food.

The next phase of the project is the provision of loans from the Veritas Solidarity Fund to the most entrepreneurial among the Dumagat women farmers to enable them to produce the goods to be sold.<sup>14</sup> The microlending project is designed to be locally accountable. It aims to build rather than expropriate community wealth by securing better access to socially responsible investors.

The Veritas enterprise is one of the strategies chosen to help achieve Millennium Development Goal (MDG) #1 of the United Nations: to cut poverty in half and reduce extreme hunger by 2015. Veritas works under the UN concern for “Climate Change and Food Security.”

The MDGs have been changed to Sustainable Development Goals by Rio +20 but the ambition remains clear: to develop new products and new business models that create economic activity at the Base of the Pyramid by providing people on the margins of the global economy access to products and services that address their basic needs.

While satisfying basic needs, the e-trading network promotes social justice, develops the basic capacities of the poor, improving their

<sup>14</sup> We do this in full knowledge of the failings of microfinance. As Milford Bateman noted, “The sour reality is that sustainable local economic development trajectories have been undermined thanks to the expansion of microcredit.” See *Confessions of a Microfinance Heretic: How Microlending Lost Its Way and Betrayed the Poor*, San Francisco: Berett-Koehler 2012. Bateman claims that except for a few exceptions, many microcredit programs are nothing more than predatory lending schemes rebranded as socially responsible investment opportunities. Nobel Prize winner Muhammad Yunus said in a 2011 New York Times op-ed that when he founded Grameen Bank in Bangladesh in 1983, “I never imagined that one day microcredit would give rise to its own breed of loan sharks. But it has.”

self-confidence and promoting their freedom. It is doing this in a planet where the gap between the rich and the poor has reached scandalous proportions in a market-driven political economy run by multinational corporations answerable only to their investors.

Veritas believes that the economic system should strengthen the bonds of human solidarity and help those in need to escape the poverty trap. Economic systems are a means, not an end.<sup>15</sup>

Veritas holds that the solution to global poverty must lie in the establishment of a just world order, in which the rich nations no longer live off the sweated labor of the poor of the economically undeveloped world in a global political economy that funnels more wealth to those who are already wealthy.

*“Let justice roll on like a river,  
and righteousness like a never-failing stream!”*  
(Amos 5:24)

#### ABSTRACTS

Smokey Mountain heißt eine riesige Müllhalde in Manila, Philippinen; sie steht weithin für Elend, aber auch für Eigeninitiative und Organisation der Menschen, die dort leben. Der Autor berichtet von neueren Entwicklungen im Kampf für eine bessere Lebensqualität, speziell über den Zweck und die Funktionsweise des Gemeinschaftsunternehmens „Veritas“. Informationstechnologie auf dem neuesten Stand der Entwicklung und die Anwendung von modernen Marketing- und Verwaltungstechnologien helfen der Gemeinschaft, ihre Situation zu verbessern und dabei besonders auf ökologische Aspekte zu achten. Dabei streben sie eine gemeinschafts- und personenbezogene Form von Wirtschaft an und leisten damit einen wichtigen Beitrag im Kampf gegen unmenschliche Armut und soziale Ungerechtigkeit.

Smokey Mountain se llama un inmenso basurero de Manila en las Filipinas y tiene una dudosa fama de larga trayectoria por su pobreza, pero también por los esfuerzos de sus pobladores de organizarse allá. El autor informa sobre los desarrollos más recientes en la lucha por una calidad de vida más alta, particularmente sobre el propósito y el funcionamiento de una empresa comunitaria llamada “Veritas”. La tecnología de información de punta así como la implementación de modernos procedimientos de marketing y administración ayudan a la comunidad para mejorar su situación. Se pone una atención especial en aspectos de ecología y se orienta hacia una forma de economía centrada en la comunidad y la persona. De esta manera se hace

<sup>15</sup> The System of Environmental-Economic Accounting (SEEA), an international standard on statistics, was recently agreed among UN Member States, and is currently being implemented. The aim of this standard is to report on the interrelationships between the economy, the environment and the society through clear, concise and coherent statistics and indicators. Veritas will be using the same standard to measure its triple bottom-line.

una significativa contribución a la lucha contra la pobreza inhumana y la injusticia social.

La « montagne qui fume », la gigantesque décharge de la ville de Manille aux Philippines, est connue du monde entier pour sa pauvreté, mais aussi pour les efforts d'organisation des personnes qui vivent là. L'auteur rapporte les derniers développements de la lutte pour une meilleure qualité de vie, et particulièrement l'objectif et le fonctionnement de l'entreprise communautaire « Veritas ». Une technologie de l'information dernier cri ainsi que la mise en œuvre d'outils modernes de marketing et de management aident la communauté à améliorer la situation – avec une attention particulière portée aux aspects écologiques – et à se tourner vers une forme d'économie centrée sur la communauté et la personne, apportant ainsi une contribution significative à la lutte contre la pauvreté inhumaine et l'injustice sociale.