

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Constitution Hills, Quezon City

**SEVENTEENTH CONGRESS**  
Second Regular Session



**HOUSE BILL NO. 7374**

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Introduced by Hon. Salvador B. Belaro Jr.

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#### **EXPLANATORY NOTE**

The Constitution provides that the “goals of the national economy are a more equitable distribution of opportunities, income and wealth; a sustained increase in the amount of goods and services produced by the nation for the benefit of the people; and an expanding productivity as the key to raising the quality for all, especially the underprivileged (Section 1, Article XII).”

In this regard, the most recent data would show that 21.6% of the Philippine population, composed mainly of farmers, fishermen, children, self-employed and unpaid family workers, and women, belonging to poor families, experience the higher poverty incidence rate. This situation calls for better social solutions for more sustained and equitable distribution of opportunities and income, goods and services, which should include an expanding productivity that would raise the quality of life of all, especially the underprivileged sectors of society.

With the promotion of social enterprises, the marginalized are engaged not as employees, suppliers or customers but as partners in business and thus, in development, as it translates to empowerment in decision-making and capacity-building programs.

This bill lobbies for the additional support and incentives for social enterprises such as tax incentives, guarantee pool funds, loans, technical assistance, capacity building activities, and the promotion of education on the social enterprise sector. Hence, the passage of this legislation is earnestly sought.



**CONG. SALVADOR B. BELARO, JR.**

Representative

1-Ang Edukasyon Party List

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**AN ACT**  
**PROMOTING SOCIAL ENTERPRISE PROGRAM IN THE COUNTRY**  
**AND FOR OTHER PURPOSES**

Be it enacted by the Senate and the House of Representatives of the Philippines in Congress assembled:

SECTION 1. This Act shall be known as the “Social Enterprise Act of 2018.”

SECTION 2. The Constitution provides that the State shall “promote a just and dynamic social order that will ensure the prosperity and independence of the nation and free from poverty through policies that provide adequate social services, promote full employment, a rising standard of living, and an improved quality of life for all. (Section 9, Article II).”

SECTION 3. The objectives of this Act are as follows:

- a. To promote social enterprises as an inclusive growth strategy that promotes an environment conducive to the development and growth of a vibrant social enterprise sector engaged in poverty reduction, economic and social development; and
- b. To promote social enterprise sector education for its growth, sustainability and development.

SECTION 4. It is hereby mandated that a comprehensive and integrated Social Enterprise Program be formulated to promote the development of social enterprises sector in the country. A Social Enterprise Development Council (SEDC) is likewise created as an attached agency to the Department of Trade and Industry (DTI) primarily tasked to promote growth and development of the social enterprises sector.

SECTION 5. In order to develop the nation's human resource capability towards social entrepreneurship, the Department of Education (DepEd) and the Commission on Higher Education (CHED) shall integrate social enterprise in the curricula at all levels, especially in the secondary and tertiary levels.

SECTION 6. The Department of Trade and Industry (DTI), in coordination with the Department of Education (DepEd), Commission on Higher Education (CHED), and other government agencies, and people's (POs) and non-government organizations (NGOs), is herein tasked to formulate the implementing rules and regulations of this Act.

SECTION 7. An initial amount of One Hundred Million Pesos (P100,000,000.00) necessary for the implementation of this act shall be included in the Annual General Appropriations Act upon the effectivity of this Act.

SECTION 8. If any provision hereof is held invalid or unconstitutional, the remainder of the law or provision not otherwise affected shall remain valid and subsisting.

SECTION 9. All laws, presidential decrees, executive orders, rules and regulations contrary to or inconsistent with the provisions of this Act are hereby repealed or modified accordingly.

SECTION 10. This act shall take effect upon its approval.

Approved.