

Great Challenges, Greater Solidarity
Power of Community and SSE as a Path for Transformation

GSEF Global Virtual Forum
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Report format

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Title of the session:	The Role of Social Finance and its Future in the post COVID-19 Era Co-organized by Social Value and Solidarity Foundation, the Korea Social Finance Forum, and Cap Finance
Type of session	Members & Partners Session
Language:	English, Korean
Date:	21 st of October
Time:	90 minutes
Participants	<i>Zoom participation: 39</i>

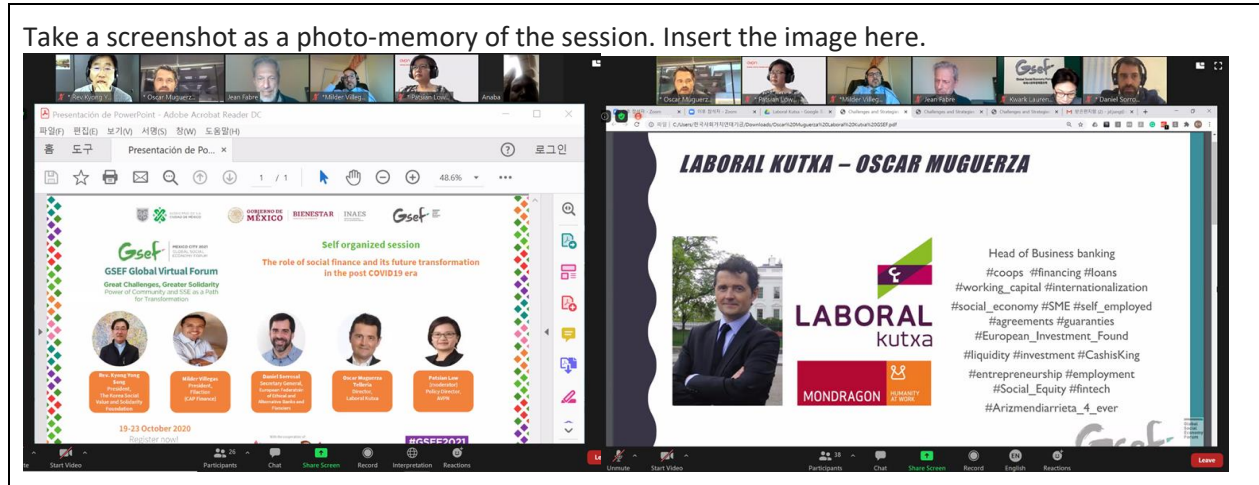
Name of moderator

Patsian Low , Policy director, Chief of Staff, AVPN
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Speakers

<ol style="list-style-type: none">1. Milder Villegas, President, Filaction, Cap Finance2. Rev.Kyong Yong Song, President, The Korea Social Value and Solidarity Foundation3. Oscar Muguerza Telleria, Director, Laboral Kutxa4. Daniel Sorrosal, Secretary General, European Federation of Ethical and Alternative Banks
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Screenshot of the zoom session



Summary of presentations:

1. **Milder Villegas, President, Filaction, Cap Finance**
 The speaker shared background information, areas of work of Filaction and solidarity finance in Quebec and in the city of Montreal. At the local level, their company values networking which they have been closely working with nine organization members and in collaboration with other governments. Then, in response to Covid19 crisis, he stated the creation of needs by the crisis, their adaptation to the crisis and implementation of relief measures. For the transition in the post-Covid, they are seeking more networking opportunities and they are working on a fund to help SSE enterprises.

2. **Rev.Kyong Yong Song, President, The Korea Social Value and Solidarity Foundation**
 The speaker introduced the case of Korea regarding wholesale finance. He viewed that Korea had been lagging in terms of social finance but has been making improvement since 2018. He provided explanations and discussed difficulties they faced. For example, a huge mismatch in demand and supply for social finance can be found. He then reported the use and distribution of funds for different stakeholders and fields in Korea. After that, he talked about the devastating impact Covid had on Korea society and their response in a way of collaboration with governments, use of crowdfunding platforms and partnerships. Lastly, he suggested that the importance of providing support to platform worker as priority and also the importance of giving some thoughts to the social economy and financial ecosystem.

3. **Oscar Muguerza Telleria, Director, Laboral Kutxa**
 The speaker talked about the Laboral Kutxa, Cooperative bank, which is the origin of Mondragon group from Spain. The foundation, operation and mission of Laboral Kutxa were shared. Then, he explained the seriousness of Covid-19 crisis in Spain, where 20% of their GDP dropped, and many economic and social problems appeared. However, the speaker believed “back to basis” which means doing banking would be a way for dealing with the current situation and that they

had to help people who in need of liquidity, in order to foster entrepreneurs and create new business.

4. **Daniel Sorrosal, Secretary General, European Federation of Ethical and Alternative Banks**

The speaker gave the background information of Banca Etica, which is a cooperative bank rooted in Italy and founded European Federation of Ethical and Alternative Banks. He shared their success of the transformation from groups into networks. Then, he talked about his experience of loss of direction in the face of Covid-19 crisis at the beginning, and then the learning (for example, digitalization) and implementation of measures. He suggested that for transition in the post-Covid, the support should be long-term. They could work much closer to public administrations and regulators and spread the model.

Answers to the GUIDING QUESTION:

How to transform the present and build a better future from the SSE?

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Relevant Questions and Answers from Audience:

Question 1: From Jean Fabre

It is rather difficult to start a project in covid time. But life goes on and new initiatives cannot wait until Covid is over. Is it much different to support a startup now than before Covid ?

Answer: From Daniel Sorrosal

In response to Jean Fabre, I think investing in start-ups has not really stopped during the pandemic, as new concepts are needed, and new opportunities arise.

Answer: From Milder Villegas

There are some sectors where people are more eager to develop new business, in the case of Quebec, we are not that difficult in finding money for supporting startups.

Answer: From Rev.Kyong Yong Song

There is a slowdown in investment in startups, also for the general economy. We are in need of long term investment. And there are urgent demands of creating necessary infrastructure and policy. Maybe we could encourage more youth to startup businesses.

Question 2: From Patsian Low

How do you decide the targeted group as priority? Do you think the support you are providing is comprehensive?

Answer: From Rev.Kyong Yong Song

We focus on platform workers because they are suffering and growing in number. They have no protection from the union and are in the blind spot. From past experience, I learnt about the linkage

between labor and social economy, so I start by providing support in labor protection. As labor stays closely to the ground, we can have the best knowledge of the need from helping them. More is to be done, that one of it is to nurture intermediary.

Answer: Oscar Muguerza Telleria

We focus on liquidity needs as this is the main issue many are facing. We are always in touch with clients to understand the needs of them. We do the matching and we are smoothing out the process in order to foster the clients' business activities.

Question 3: From Patsian Low

As you have mentioned about networking which government and cooperatives come together, why is the network approach so important?

Answer: Milder Villegas

At the local and regional level, networks help us know what happens to others, understand the situation and environment. In comparison to different locations, we see some places where the resilience of the economy is so high. We can get to know the difference. Also, togetherness of different parties can propose policy to the government. At the global level, it facilitates sharing of information, development of ecosystems and advancement of policy change.

Answer: Daniel Sorrosal

Since September, individual chat with members helped us understand what they're going through, which helped the design of measures. For advocacy who have the means to do something, group discussion allows flow of information and collection of news.

Add summary or conclusion of the moderator at the end of the session in case there was no closing remarks per presenter/speaker

Summary by the moderator: Patsian Low, Policy director, Chief of Staff, AVPN

- **Speakers have consistent view about importance of cooperation**
- **To strengthen ecosystem in terms of capability building of entrepreneurs**
- **To engage with policy, not just injecting the funding, but take a role in the form of wholesale finance, solidarity finance etc.**
- **Clear need for coordinator and private sector to complement each other in urgency of response**
- **In the post-covid, we need clear commitment in evolution of social finance**