

Role and Functions of Public/Private Enterprises in Social Welfare Issues, Responses and Challenges

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We are at a moment in history ... when there is both the potential and the necessity to build a new 'social contract' among business, governments and Civil Society Organizations (CSOs). There is the possibility to create a much more synergistic and collaborative relationship between the three sectors. (Christopher Pinney)

This document seeks to describe the increasing collaboration between the public, voluntary and private enterprises in social welfare and social development through the review of the following topics:

1. Government policy towards public/private enterprise's involvement in social welfare
2. Historical development of public/private enterprise's activities in social welfare
3. Current scope and nature of activities of public/private enterprises in social welfare and related problems
4. Extent and nature of business activities of these enterprises in the field of social welfare and their problems
5. Future issues and challenges confronting public/private enterprises in the field of social welfare.

I. INTRODUCTION

For a country endowed with abundant natural resources, and favoured with a rich historical and cultural heritage, the substandard socio-economic condition of the Philippines has been largely attributed to the burden of three hundred (300) years of Spanish colonization, thirty (30) years of American domination and twenty (20) years of martial law.

In analyzing the current poverty situation in the country, it has been noted that "the very resources of the country, natural as well as human, were exploited to serve the interests of the colonial authorities. The very fiber of Philippine society and its peoples were shaped to suit the interests of foreign powers that dominated the archipelago since the sixteenth century. The legacy of the colonial economy bred a political system steeped in feudal, cultural and political patronage. (National Anti-Poverty Action Agenda, 2000 p.2) This observation is evident in government policies that allow for the unabashed exploitation of the country's natural resources resulting in the reduction, for instance, of the forest resources from lush forest covering 50% of the land area in the early part of the 20th century to what has become, currently, less than 5% of the total landmass.

Despite a modest decline in recent decades, the poverty situation persists due to the confluence of numerous causes like natural disasters, economic slowdown, currency depreciation, peace and order problem, corruption in high offices of the government and poor tax collection. There are still more than 4.6 million Filipino families, or about one-third of the population, living below the poverty line. (ICSI, December 1999)

Government reforms and complementing programs of civil society provide hope for an improved system of social service delivery. The continuing collaboration of the government with the private sector constitutes one of the building blocks for more effective and sustainable anti-poverty strategies.

II. GOVERNMENT POLICY

The Philippine government has given official imprimatur to its major partner in social development through Presidential Proclamation 229 of July 2000, which declared a "Corporate Social Responsibility Week". (Annex B) It is a formal acknowledgment of the efforts of

private firms, corporate foundations and other business organizations that have made significant contributions to the country's economic and social welfare. This underscores the awareness that government alone cannot effectively address issues such as healthcare, education, and environment without the strong collaboration and support of the private sector. This was underscored by Manuel Roxas III, Trade and Industry Secretary, in affirming the importance of corporate support in fueling the empowerment of individuals and communities. "Development efforts spearheaded by the private sector help to boost our national efforts to develop our human capital and provide avenues and mechanisms for our people to actualize their dreams. It is in the unleashing of human energies that makes for building a nation. It is this support that gives them hope in the future, in the country and in themselves." (Madamba 2000)

III. HISTORICAL DEVELOPMENT

In the Philippines, the genesis of social welfare is with families and small communities called *barangays* that form some kind of a mutual aid society in pre-colonial times. A strong sense of family responsibility fosters the caring for the elderly and the disabled while small communities in rural areas hold out their availability to provide help between and among members. The Spaniards who brought Christianity to the country also established schools, hospitals and orphanages to look after the vulnerable groups. Charitable acts became part of religious practice. It was during the American colonial rule that government responsibility for social welfare took distinct shape. Several public offices became the forerunner of the present government department of social welfare.

The Philippine Constitution spells out government responsibility to meet the needs of the poor and the marginalized groups. However, it was only in the 50's when a full-blown Department of Social Welfare was established with programs for children and youth, family and community, the disabled, emergency relief and public assistance. It was, however, only in the 90's when a program on women was established.

Together with government, the voluntary sector played an active role in social welfare. It has drawn its support from the community and the business sector's philanthropy to pursue its own programs

that complemented those of the government. These include the Philippine National Red Cross, the Young Men's Christian Association (YMCA) and the Young Women's Christian Association (YWCA), the church institutions and numerous civic organizations. After the martial law regime, many of the cause-oriented organizations became involved in social development activities and together with private organizations is now part of the civil society. However, some NGOs have raised doubts on business sectors' sense of responsibility. This has restricted actual collaboration between the business sector and NGOs in the past.

Before the 70s, there has been relatively little direct relationship between government and private enterprises. This was to be expected when the government assumes a dominant role in social welfare activities, leaving little room for private initiatives at helping the poor. This is evident in the relationship that exists primarily between private welfare/voluntary agencies and the business sector on philanthropic activities related to fund-raising activities of the PNRC, Community Chest and other smaller direct service agencies.

"Through the years this has broadened and deepened beyond social service provision to social development efforts between and among the government, NGOs and the business companies. Where before the main concern was an immediate response to crisis situations, currently social responsibility has been demonstrated in all social welfare functions, namely, remedial or curative, rehabilitative, preventive and developmental." (Pangalangan, 2000) Developmental social welfare better known as social development is characterized by participatory strategies, sustainable interventions and empowerment of people for the protection of human rights and promotion of social justice towards a better quality of life for all.

In 1970, around 50 business firms organized themselves for the purpose of getting involved in social development under the name of Philippine Business for Social Progress (PBSP). It was the business community's response to the prevailing economic decline, runaway inflation, growing poverty and insurgency. The objective was to pool together the resources of the business community with a view of extending an organized, professional and sustained assistance to improve the situation of the Filipino poor.

Each business firm pledged 1% of their gross income before taxes to support their respective social welfare projects as well as the projects and programs of the PBSP which had gone nationwide into

housing projects, community development, micro enterprises, and funding support to agencies in need of assistance for their projects. (See Annex C for the PBSP Vision, Mission, Goals). In the words of a Ford Foundation official in the Philippines, "PBSP has legitimized for the business community the importance of working at the grassroots level." (Mary Racelis).

Additionally the League of Corporate Foundations (LCF), which was established in 1991, further pushed the development of initiatives of major corporations and foundation in the country for social development. The LCF is a network of leading private corporations engaged in social development. It has played a pivotal role in paving the way for more organized and collective efforts in social development through its involvement in such areas as education, health and community development.

Today, government, Civil Society Organizations (CSOs) and businesses are facing a challenge to develop a common agenda and a new social contract of shared responsibility for society's well-being and development. This has been brought about by global economic and social restructuring in the last few years where the traditional division of labor among the sectors no longer suffices to meet the demands of society. There is an urgent need to close the gap between the rich and the poor and to address the worsening poverty situation in many countries.

IV. CURRENT SCOPE AND NATURE OF ACTIVITIES OF PUBLIC/ PRIVATE ENTERPRISES

The Philippine Business for Social Progress (PBSP) today has grown to include 170 member companies from the original fifty (50) founding members in 1970. It proudly claims to have encouraged the continuing involvement and commitment of major international donors. It holds regular policy dialogues with government. Having established a name in organizational and program management, it has worked with some 1800 partner organizations in 65 provinces that benefited 2.2 million poor families. These included landless rural workers, upland farmers, sustenance fisherfolks, lowland small farmers, cultural communities, urban poor, and disaster victims. Over 1.28 billion pesos supported more than 3, 800 projects nationwide.

Guided by its belief that helping the poor help themselves is the most effective, sustainable approach to reducing poverty, releasing human potential and achieving better socio-economic equity, Paso's involvement in social welfare and development includes the following: 1. Corporate giving (or philanthropy); 2. Employee volunteerism; 3. Community relations; 4. Employee welfare programs; and 5. Community-based projects through the corporate foundations.

Corporate giving or philanthropy remains a constant in extending assistance to voluntary organizations. The Community Chest, the Philippine National Red Cross, YMCA and YWCA, The Philippine Tuberculosis Society, The Cancer Society and numerous organizations depend on business as sponsors in their fund-raising activities. Many business foundations are heavyweight donors and fund-raisers for victims of natural calamities.

The corporate philanthropy is a form of social investment in areas related to specific business goals. The business firms' social initiatives are targeted to support specific sectors of society on concerns like livelihood, environmental preservation, and gender issue.

Employee voluntarism has been encouraged by many business firms for their employee involvement in community activities, disaster victim assistance and welfare contributions. A utility company's employee fund that started with half a peso donation from each employee years back is now a multi-million peso foundation that extends assistance to calamity areas as well as provide funding for charity patients in hospitals.

There are instances where the business firms integrate employee voluntarism into their giving programs. This has the effect of multiplying the resources of the company, building up the corporate reputation and at the same time forging employee loyalty.

Community relations (Com-Rel) have been the major activity of one multi-business company in communities where their employees live. The idea is to create not only a positive image for the company but to provide a good living environment for the company's employees. Community relations essentially underscores the principle that communities surrounding the plants or factories are stakeholders, making these communities functional, livable and developmental. There is a clear element of community organizing in Com-rel as the approach includes building local consensus groups to plan the

housing projects, community development, micro enterprises, and funding support to agencies in need of assistance for their projects. (See Annex C for the PBSP Vision, Mission, Goals). In the words of a Ford Foundation official in the Philippines, "PBSP has legitimized for the business community the importance of working at the grassroots level." (Mary Racelis).

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communities' continuing development. "Community relations as practiced in the Philippines, is one of the most advanced globally and efforts are now underway to bring the practice to a higher level by installing measurement and monitoring systems at both the company and the community levels." (Velasco & Velmonte, p. 2) A sugar milling company, for instance, has organized its nearby rural communities to improve the socio-economic conditions of the people particularly the families of its employees.

Employee welfare programs have been the traditional focus of industrial social welfare. The salient aims of the programs consist of providing non-salary benefits, whether mandated or voluntary on the part of the employers, counseling services for employees and initiating measures to bridge the gap and promote harmony between management and the workers.

Community-based programs have been provided by many companies through the PBSP or through their respective foundations. The community-based programs promote self-reliance and a spirit of entrepreneurship in communities, "to help people help themselves." Through its grassroots projects, PBSP has developed expertise in: Area Core Development Strategy; Small and Micro-Enterprise Development; Community Organizing; Corporate Involvement; Agrarian Reform; and Institution-Building.

V. EXTENT AND NATURE OF BUSINESS ACTIVITIES OF PRIVATE ENTERPRISES IN THE FIELD OF SOCIAL WELFARE AND SOCIAL DEVELOPMENT (CASE STUDIES)

Over the past three decades there is a growing number of companies taking an active role in their communities, forming alliances with government, nongovernment and voluntary sectors to fulfill a variety of societal and community needs.

The following case studies are illustrative of corporate social responsibility (CSR) practised by PBSP member companies that have been drawn from the Corporate Citizenship Resource Center.

HIV/AIDS in the Workplace Program

It has been 5 years from the time PBSP took the initiative to develop and implement an HIV/AIDS project in the Workplace Program. It began from a project with Levi's and progressed to several other partnerships with PATH and just recently with DOLE and DOH-EU. Since then, PBSP was able to accomplish the following (based on Specific Key Result Areas):

CAPABILITY BUILDING

Corporate Sector:

- Reached a total of 29 companies, 13 of which are members of PBSP
- Trained 186 Peer Educators and Counselors (PEC) and 104 PEC Trainers
- Assisted all companies in their Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome (HIV/AIDS) Policy Formulation
- Provided companies with a Resource Directory of Organizations related to Sexually Transmitted Infections (STI) and HIV/AIDS Services
- Provided all companies a copy of a Directory of PEC Trainers

NGO Sector:

- Provided 2 Training Courses on Workplace HIV/AIDS program to seven Non Government Organizations, including PBSP
- Trained 32 PECs and 20 PEC Trainers
- Compiled a Resource Directory of Organizations related to STI and HIV/AIDS Services

Government Sector:

- Reached four (4) Regional Offices of the Department of Labor and Employment (DOLE)
- Trained 50 PECs and 35 PEC Trainers

ADVOCACY AND EDUCATION

- Launched the HIV/AIDS Workplace Program in the presence of 127 companies during the PBSP Annual Membership Meeting in 1998
- Conducted a Business forum on HIV/AIDS reaching 51 companies
- Conducted an Executive Briefing on the Impact of HIV/AIDS on Business on March 9, 1999 reaching 19 companies
- Conducted two other Executive Briefings on STI & HIV/AIDS Education-Prevention Program in the Workplace in partnership with DOLE and DOH-EU in Region IV & NCR and IX & XI to identify pilot companies for the program
- Conducted "Sharing of Learning Experiences and Policy Formulation Workshops" for Region IV and NCR pilot companies and Region IX and XI pilot companies.

PRODUCTS DEVELOPED

Communication Tools

- Executive Briefing kit for CEOs on Sexually transmitted Diseases and HIV/AIDS
- Kit on Basic Messages on HIV/AIDS for Trainers

Products Developed

- Peer Educator and Counselor (PEC) Training Manual
- Peer Educator and Counselor Trainees Manual
- Trainer's Training for Peer Educators and Counselors Training Manual

Products under development

- Manual on How to Implement an HIV/AIDS Education-Prevention Program in the Workplace

Resource Map

- Directory of Resource Organizations related to STD and HIV/AIDS
- Directory of PEC Trainers in Luzon and Mindanao
- Directory of Pecks in Luzon and Mindanao

PLAN OF ACTION (Work plan)

1. HIV/AIDS Program to be transferred to TCU for marketing to non-member companies and to MDU for member's servicing
2. Provision of 1 more training for NGOs to complete the 3 training courses planned for them (most probably on Policy Formulation)
3. Case study of 4 companies on their experience in implementing an HIV/AIDS Workplace Program
4. Launching of the PEC Training Manual
5. Development of a "Health Management System"
6. Groundwork on new programs relating to Workplace Health (Tuberculosis, Maternal and Child Health Care, Safety, Occupational Skin Disorders, Stress Management, Ergonomics, etc.)
7. Survey on Workplace Health Programs of Member Companies

Atlas Consolidated Mining and Development Corporation

Atlas Consolidated Mining and Development Corporation (ACMDC) is a founding member of PBSP. ACMDC began to seriously look at community development during the construction of the 4.15-billion gallon Malubog dam in 1970, which displaced some 200 families in the surrounding communities. Compelled to respond, the company established a community development group to oversee the relocation and provide alternative livelihood to the displaced families. The displaced families were organized, and provided financial assistance, technical services, and marketing support. The initial success of the program spurred the company to set up an integrated youth development program, which focused on training and establishing livelihood activities for 4-H clubs organized, by the company. By 1990, 118 livelihood projects and micro enterprises involving at least 769 beneficiaries had been set up by ACMDC, most of which have now spun off and are being managed by the community members themselves.

Environmental projects began in 1960 with the reforestation and development of watershed areas covering 800 hectares. By the 1980s, a total of 2,000 hectares have been reforested and by 1990, ACDMC had spent P4.381 million on environment protection and enhancement activities alone. Through these efforts, the company was cited for being the first mining firm in the country to actively reforest its areas of operation.

Central Azucarera de la Carlota

Prior to its membership to PBSP, Central Azucarera de la Carlota (CAC) has already shown its commitment to social development. In 1995, a year before it joined the Foundation, the company was nominated to PBSP's Corporate Citizenship Excellence Award (Non-Member Category) for its Family Welfare Program (FWP). The program consists of organizing communities, providing capability-building, and livelihood generation. Through the FWP, the company has assisted at least 20 small fishermen in Ponce de Leon, Negros Occidental by providing capital for fish coral operations. CAC is a DOLE Hall of Fame Awardee for being one of the outstanding firms in the country for three consecutive years.

Citibank, N.A.

Citibank operates in Metro Manila and Cebu, and has a total staff complement of over 1,400 employees. In 1983, it was awarded "Employer of the Year" by the Personnel Management Association of the Philippines in recognition of its "responsible approach" in managing its people.

Citibank is a founding member of PBSP, and was the only foreign bank that contributed to the construction of the Philippine Social Development Center, which now houses the PBSP.

On its own, Citibank has been involved in various corporate giving activities since the 1970s, mostly along the fields of education, culture & arts, health, livelihood and social services. Citibank has invested a very substantial amount (over a hundred million pesos) in donations to various institutions and causes, the largest amount being contributed to Operation Smile (about Php 100 thousand annually).

On education, Citibank gave Php 400,000 to the Ateneo de Manila University's Endowment Fund) for the poor and continuously supports Scholarship Foundations of top schools in the country. The Bank is also a ready source for disaster-related financial assistance, such as those given for victims of the 1990 earthquake, the Mt. Pinatubo eruption in 1991, and Typhoon Rosing in 1995. For the culture and the arts, Citibank's most notable contributions have been the restoration of the war-ravaged Metropolitan Theater, establishment of *Museo ng Malacañang Foundation*; and the sponsorship of the annual Pan Asia Journalism Award to reward and encourage excellence in business reporting.

Del Monte Philippines, Inc.

A founding member of PBSP, Del Monte has provided financial and technical support to the foundation's various programs, especially in Mindanao. Del Monte's sense of corporate social responsibility began to take root in helping local communities where its workers had established basic social and health services.

Del Monte's social involvement evolved in the 1960's into the *Barrio Assistance Program* (BAP) which provided a more systematic approach in the administration of social services – mainly primary health care and agricultural cooperatives. In the next three decades, BAP's commitments expanded to include educational scholarships, family planning, health, nutrition and education, water systems, environmental conservation, and livelihood training. In 1987, BAP was renamed HEART – Humanitarian and Economic Assistance for Rural Transformation.

In 1990, the company established Del Monte Foundation, Inc., the means through which the company performs its corporate social responsibilities today.

Bankers Trust Company (BT)

The Company refocused its giving program to assist and empower communities and allow them to find solutions to social issues. Fueling growth allows the BT to provide innovative financing schemes to support these programs. Over two years, the BT allocated a total of \$100,000 for community development in Taguig, and

organized the community, built its capacities (job training livelihood development, daycare assistance) and developed infrastructure (roads, drainage, and sanitation), which has allowed the community to become a self-sustaining urban community. Moreover, it showed how corporations had matured from being mere financial donors to assume the more strategic position of community partner.

Davao Union Cement Corporation (DUCC)

The Company has supported its host communities by maintaining service and livelihood programs. These communities have benefited from income-generating projects, trade skills courses and basic utilities like water and electric service as well as preschool education for resident children. Apart from these services, the DUCC has also set up model integrated farms in a bid to increase farm incomes and has made a strong commitment to protect its surrounding environment by reforesting hundreds of hectares of land next to its plant.

Asia Pacific Philanthropy Consortium's (APPC) on Human Resource Development

The APPC was launched in 1994 as a consortium of four Asian-based foundations, namely PBSP, The Asia Foundation, Japan Center for International Exchange and the Institute for East-West Studies/ Yonsei University to strengthen grant-making entities within their respective countries and their neighbors. APPC seeks to increase the flow and effectiveness of philanthropic giving within, and to, the Asia-Pacific region. It has four major activities: human resource development, research, networking and exchange, and the establishment of a clearinghouse and database about the philanthropic sector in the region. PBSP anchors the human resource development program.

Center for Corporate Citizenship (CCC)

In 1992, PBSP established the Center for Corporate Citizenship dedicated to promote the practice and critical review of corporate citizenship among CEOs and their counterparts in government and civil society.

The Center encourages companies to look at core business policies and practices and their impact on society, on the environment and on development in general.

The Center works through consensus groups of CEOs who take up the critical issues confronting society and propose business-oriented solutions to these. Issues on education, environment and local governance have defined the work of the consensus groups. Periodically-held national conferences provide the venue for the CEO consensus groups to submit to the larger community their proposed action plan that includes projects lists which companies could get involved with.

V. FUTURE ISSUES AND CHALLENGES

1. Corporate Social Responsibility (CSR) is the practice of business engaging in social welfare and development. This is best illustrated in PBSP's statement of commitment. (See Annex D) As a pioneer in corporate social responsibility, PBSP for the last 30 years has been considered "a world model" by the international group Civicus, also known as the World Alliance for Citizen Participation. Unfortunately the increase from 50 to 120 membership over the last three (3) decades is considered paltry when viewed against the top 5000 business corporations of the country. The challenge is for PBSP to entice more business firms to embrace corporate social responsibility as a philosophy of good business practice.
2. During fiscal year 1998-1999, PBSP member companies contributed P176 million for the foundations' projects. This averages about a million pesos of contributions to the PBSP by each member company. These corporate contributions represent roughly 25 percent of one percent of their pre-taxed income allotted for socially oriented programs. The remaining three-fourths of their allocations are expended for the corporations' own social development activities. (Opiniano, July 2000) If more businesses could be encouraged to be involved in CSR, a tremendous financial resource could be generated to fund the anti-poverty projects that will have lasting impact in uplifting the conditions of the poor and the marginalized, thereby ultimately

rendering the country productive and self-sufficient. A study (1970) of civil society resource organizations (CSRO) including Indonesia, Malaysia, the Philippines, Singapore and Thailand disclose that the Philippines, among the countries studied, had been successful in raising funds of about 80% of its own fund requirements.

3. Like-minded groups as the League of Corporate Foundations (LCF), the Association of Foundations and the Bishops-Businessmen's Conference on Human Development, which were established after the founding of PBSP, could work together towards widespread practice of corporate social responsibility. Additionally there is need to link local initiatives with similar global developments for sharing of experiences and learning, reinforcement and strengthening of programs and to effectively catalyze new initiatives in countries where this process is not yet underway.
4. Motivations for corporate giving, as determined in a 1993 study of PBSP among its member companies, have been found more altruistic than self-serving. These embrace concerns like: "1) the CEO's vision; (2) response to natural disasters; (3) public relations or image-building; (4) response to national issues; (5) benefits to target consumers of the company; (6) walk-in requests; and (7) tax exemption."

There is therefore a need for capacity-building activities to assist the business sector, primarily its CEOs, to develop the proper attitudes, increase their skills and abilities to involve businesses in social development-oriented programs. This way, their vision along CSR could bring their companies into the membership fold of PBSP or similar groups.

5. An objective, critical and independent study on Philippine CSR practice to complement the continuing studies of PBSP is strongly indicated to serve as guideline its promotion among the top corporations of the country.
6. Beyond corporate giving is the need for more active business involvement in finding appropriate solutions to problems spawned by poverty. The call is for business to be actively involved in social development plans and projects and not just to be passive supporters. Large leadership companies worldwide are adopting a new management model called stakeholder model that is

driving business in a variety of initiatives in social development. This model "moves away from an exclusive focus on shareholders and customers toward a more active strategy to understand, manage, and measure the impact of a company's operations on a variety of key stakeholders, including workers, communities, and others". This has been seen as "moving business involvement in a wide variety of initiatives seeking to build relationships between business and society". (Pinney 1999) At the international level, the Prince of Wales Business Leaders Forum, the Caux Round Table, and the World Bank Business Partners for Development have provided initiatives in this direction. Those identified at the national level are the Philippine Business for Social Progress, the Business in the Community (UK), Business for Social Responsibility (USA) and Imagine's Caring Company Program (Canada).

More than ever, there is a critical need for intersectoral collaboration between government and corporate and nonprofit/voluntary sectors comprising civil society for an effective and sustained impact on the poverty situation of the country.

VI. CONCLUSION

Studies have shown that corporate social responsibility actually makes good business sense. A landmark study in 1999 conducted by Environics International Ltd., in cooperation with the Prince of Wales Business Leaders Forum and the Conference Board, confirms a growing trend of consumers, companies and institutions to align their purchasing decisions with social criteria, particularly those related to ethical standards and corporate citizenship. This was affirmed by the Petron Corporation Chair Jose Syjuco Jr. who said "When a large business concern like Petron promotes the well-being of the broader community, it is also fostering the long-term viability of its business activities, which support and, in turn, depend on the activities of people everywhere in the country. Banding together under an organization like the League of Corporate Foundations multiplies our strengths and our resources." (Madamba 2000)

The active role of business in a globalized world becomes imperative now and in the future. Business groups in this country and around the world are forming alliances among themselves and with government, non government organizations and the grassroots on various social issues. This appears to be an effective strategy that will make a difference in resolving the poverty situation.

Annex A

Definition of Terms

Corporate Social Responsibility – the engagement and involvement of business organizations in social welfare and development

Corporate Citizenship – active cooperation and participation of business organizations in the affairs of society that promote the development of workers and communities

Voluntary Sector – private agencies that provide assistance to specific groups and derive support from private individuals and groups

Civil Society – organizations outside of the government sector including NGOs, voluntary organizations and business concerned with the welfare of individuals, groups and the community.

Remedial/curative – concerned with the correction of a problematic situation or problem or redressing a wrong

Rehabilitative – involved with the restoration or return to a former condition or capacity

Preventive – related to hindering or forestalling the occurrence of social problems or pre-empting the satisfaction of needs

Developmental social welfare or social development – an all embracing function that is characterized by participatory strategies, sustainable interventions and people empowerment for the protection of human rights and promotion of social justice towards a quality of life for all.

Annex B

MALACAÑANG
Manila

BY THE PRESIDENT OF THE PHILIPPINES

PROCLAMATION NO. 299

DECLARING THE FIRST WEEK OF JULY OF EVERY YEAR AS
CORPORATE SOCIAL RESPONSIBILITY WEEK

WHEREAS, one of the reasons for the emergence of the Philippines as a strong democracy in Asia is the flourishing and vibrant partnership between the government and business sector in nation building;

WHEREAS, the Philippine business sector has a rich tradition of social responsibility actively supporting government in dealing with the people's complex needs thereby effectively contributing to the national welfare and development;

WHEREAS, the celebration of **Corporate Social Responsibility Week** will highlight and inform the public about the contributions of corporations, corporate foundations and business organizations to economic and social development of the Philippines, particularly in reducing poverty;

WHEREAS, the League of Corporate Foundation, Inc., having established itself as a key player in the development of a responsible business sector and as an entity capable of harnessing the resources and building the capability of corporate foundations and their principal corporations in contributing to national development goals, can best serve as the overall coordinating body to effectively oversee the activities of the **Corporate Social Responsibility Week** to ensure the meaningful celebration of this event;

NOW, THEREFORE, I, JOSEPH EJERCITO ESTRADA, President of the Philippines, by virtue of the powers vested in me by law, do hereby declare the first week of July of every year as the **Corporate Social Responsibility Week**, under the auspices of the League of Corporate Foundations, Inc.

All concerned departments, agencies and instrumentalities of the national government, the various local government units, the private sector and the public at large are hereby enjoined to actively participate and support activities and programs.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the Republic of the Philippines to be affixed.

DONE in the City of Manila, this 27th day of APRIL in the year of our Lord, Two Thousand.

Sgd. JOSEPH EJERCITO ESTRADA

By the President:

Sgd. RONALDO B. ZAMORA
Executive Secretary

Annex C

Philippine Business for Social Progress

Vision To be the leader in promoting business sector commitment to social development.

Mission PBSP, as a corporate-led Foundation, is committed to making strategic contributions to improve the quality of life of the Filipino poor; promoting business sector commitment to social development; and harnessing resources for innovative programs that lead to self-reliance and sustainable development.

In pursuit of these endeavors, the Foundation shall support broad-based partnerships and develop a corps of dedicated and competent social development practitioners.

Goals

- Initiate, assist & fund innovative socio-economic and environmentally sound, gender-sensitive development programs;
- Promote self-reliance & entrepreneurship among the underprivileged;
- Innovate, validate & disseminate technologies supportive of sustainable development;
- Encourage, undertake & sustain broad-based partnerships to optimize resources;
- Strengthen organizational capabilities of partners through consultancies & training for effective program implementation;
- Professionalize the social development industry by promoting human resource development systems and programs;
- Broaden & deepen corporate citizenship through involvement of business in development programs.

Annex D

Statement of Commitment (PBSP Members)

We Believe ...

First: Private enterprise, by creatively and efficiently utilizing capital, land and labor, generates employment opportunities, expands the economic capabilities of our society, and improves the quality of our national life.

Second: The most valuable resource in any country is the person. The higher purpose of private enterprise is to build social and economic conditions which shall promote the development of the person and the well being of the community.

Third: The growth and vigorous development of private enterprise must be anchored on sound economic and social conditions.

Fourth: Private enterprise must discharge its social responsibility towards society in a way, which benefits its unique competence. It should involve itself more and more in social development for the total well being of the nation.

Fifth: Private enterprise is financially and technologically equipped to participate actively in social development. In terms of scientific technology and managerial competence, private enterprise can help provide the total approach for social development in our depressed communities.

Sixth: Private enterprise, together with other sectors of society, shares obligation and responsibilities which it must discharge to the national community. The ultimate objective of the enterprise is to help create and maintain in the Philippines a home worthy of the dignity of the person.

Therefore, we hereby pledge to set aside out of our company's operating funds an amount for social development equivalent to one percent (1%) of the preceding year's net profit before income taxes, of which twenty percent (20%) shall be delivered to, and for management and allocation by, a common social development foundation to be known as **Philippine Business for Social Progress**.

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