



Creating a Financial Bridge to the Private Sector

**From Mobilizing Resources and Support in
Foundation Building Sourcebook: A
practitioners guide based upon experience
from Africa, Asia, and Latin America**
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Section 5 Creating a Financial Bridge to the Private Sector

This section describes several approaches to building a financial bridge between the private sector and community development initiatives.

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Why Do Companies Give?

The short and quick answer is if companies acted in a social vacuum they might not give at all. Economist Milton Friedman cautions the business of businesses is to generate profits, not to solve social and economic problems. Nevertheless, business is a fundamental part of society and does not operate in a vacuum. Profits and the stability of a company are affected by social, economic and environmental factors defining the market and the context in which it operates. The reasons why businesses get involved are as diverse as the types of business. Some resources for learning about corporate philanthropy are listed in the appendices. It may help to have in mind a few general observations about corporate philanthropy around the world:

- Some companies look for ways to link their giving to their business. The cases in this chapter indicate this may be a trend
- Some companies have established independent grantmaking foundations that handle all or a portion of their giving
- Multinational companies, for the most part, do not give at the same level outside of their home countries. Likewise, many companies link their grantmaking to the communities where their employees live or where their markets are concentrated
- Companies can give more than money. They can also give management expertise and services, products, volunteers, publicity and advice
- Beyond asking for donations, joint income earning opportunities. For example, renting the name or logo of a nonprofit to sell a product, can potentially be more lucrative and sustainable in the long run than asking for a cash contribution

How do Foundations Solicit Contributions from Companies?

To involve businesses, grantmaking foundations have conceived of a range of approaches, from soliciting in-kind contributions (e.g., computers or transport) to cause-related marketing and employees' rights campaigns. The three foundations discussed in this chapter have all succeeded in positioning themselves in a strong position in terms of corporate philanthropy or "social investment" in their countries. Mozambique's Foundation for Community Development (FDC) built a reputation as an accountable and credible channel of funding to community development initiatives in its country. The Philippine Business for Social Progress (PBSP), having been started by socially conscious businessmen in the Philippines, is now in its third decade as a membership foundation which has provided a platform for joint action for businesses and has leveraged considerable funding from a base of corporate contributions and membership dues. The Abrinq Foundation for Children's Rights in Brazil also began with the strong input of business leaders. Through its outreach, it has garnered support from a wide base of Brazilian businesses and individuals.

In each of these cases listed above, the foundations offered a broad vision of social impact to companies they sought to involve and have given them concrete opportunities to act. They have also specialized, to a large extent, in being a bridge between business and communities. None of these efforts are merely a one-time approach. They represent a core strategy that brings together business and community leaders to jointly solve problems and strengthen community efforts.

Summary Points

The commitment of a few business leaders and businesses can help raise support and involvement from other businesses. In the case of the foundations in this section, the early involvement of business leaders was an essential element of their success in raising support from businesses. These people attracted other business leaders through their personal contact and each foundation's concrete demonstration of what it would do with the support of businesses. In the case of the FDC, support from a multinational corporation spurred local corporations to give.

A successful approach is clear about what a company gets in return for its support and involvement. Businesses can benefit a, everyone does from a society in which their workers are more educated and live in healthy conditions and consumers have resources with which to buy their products. PBSP makes this relationship of business to society clear in its Statement of Commitment. Beyond corporate responsibility, foundations can offer valued services to companies while meeting their own objectives, i.e., channeling grants to communities that need them, connecting companies to government and NGO leaders and identifying opportunities for companies to showcase their philanthropy. Abrinq offers the use of graphic seals for companies that adopt good social practices. The seals can appeal to consumers of a company's products and help it in its marketing efforts.

The foundation may see its role as a bridge between the needs and interests of civil society and business. The relationship between businesses and civil society organizations is sometimes characterized by a difference of objectives and conflict. Part of the role played by Abrinq and PBSP has been to find solutions where both sectors can win. The foundations are careful to make it clear they offer services to both sectors. They believe that a healthy society values both business and nonprofit contributions.

A professional staff who can relate well to business and nonprofit leaders is a key element to the success of business/foundation collaboration. Both Abrinq and PBSP have recruited highly professional staff and invested in their training to assist them in forging good ties with both their business and nonprofit partners. They have staff members responsible for fundraising, marketing and member services as well as grantmaking and other programs.

Example 1

Leveraging Support

Foundation for Community Development (Mozambique)

The Foundation for Community Development (FDC) had developed local support from the emerging private sector in Mozambique—the country was encouraging the growth of companies and a private sector after a change from socialism in the early 1990s—and was seeking out new private sector partners.

The President of the FDC served on several international boards and had met personally a senior executive of a multinational corporation based in the US with operations in Mozambique. Although the FDC had unsuccessfully approached it in the past, its staff still felt support from the company was possible.

In a personal fundraising letter to a key company executive, FDC's President outlined the foundation's objectives to build a pool of funds for Mozambican communities and the need for partners. The letter names several benefits the company would receive by supporting the FDC: acknowledgment of its efforts and new business connections [condensed]:

Our grantmaking agenda for 1996 is built on a long-term strategy to sustain and increase our impact in Mozambican society by making small targeted grants for community development. In order to carry out this agenda, we will need to build a pool of grantmaking funds. Although we are in the process of building an endowment, the funds are just now being invested. It will take time to grow this seed into significant grant-making money. For the next years, it is therefore crucial to identify strong partners who can join us in supporting community development in Mozambique. I hope [company] will be interested in being a part of this effort.

[Company] is very, very visible in Mozambique and will undoubtedly continue to be that way in the future. **I would be delighted if we could play a part in helping the company to expand its social profile here. I think that support for FDC grants can do this both because we will clearly credit the company for its support and we will provide crucial social connections in the region.**

FDC's social and economic connections in Mozambique are very extensive. We maintain excellent contacts on the highest levels of industry and government as well as with community and social leaders across the country. Among our partners from the local business sector are the most lucrative businesses in the country: Manica Freight Services Company, EMOSE, Entrepoto, and the new International Bank of Mozambique, which are shareholders through our endowment. Through these connections we hope to help chart the unexplored waters of corporate philanthropy in the country.⁵³

The letter asked for and successfully raised US\$250,000. FDC put the funding to work to build a school and start a girls education program in a northern province of the country that had been one of the most neglected in Mozambique. True to its argument the support from this multinational company would stimulate increased contributions from local companies, FDC was able to leverage immediate support of over US\$500,000 from two local companies that wanted to show Mozambican businesses were equally committed to social investment and responsibility. One company executive, upon learning of the support FDC raised from a multinational corporation, called FDC's President and insisted the FDC consider receiving its support.

Example 2

Partnerships And Program-Related Collaboration
Abrinq Foundation For Children's Rights (Brazil)

The Abrinq Foundation began as an initiative of the Brazilian Association of Toymakers, the acronym from which is the origin of the name. Business people from this industry were concerned about the magnitude of the problems affecting Brazilian Children. They launched a project that became a foundation in 1990.

Since its beginning, the Foundation has focused its actions on mobilizing and generating participation of society, especially convincing companies to comply with Brazil's child labor laws. Abrinq distinguishes its approach from philanthropic charity by operating as a bridge between the potential of society and the needs of Brazilian children. Given its genesis, Abrinq's Board has excellent connections to businesses and many board members are themselves entrepreneurs. It comfortably shares some values with its partners in the private sector, including the use of management instruments such as cost-benefit analysis. Professionals from the traditional fields of social intervention work together with their colleagues in the private sector, such as economists, advertisers, and others with business skills.

Involving Corporations in Campaigns

Building on its strong links with the private sector, Abrinq has developed support and collaboration that go beyond the financial contributions companies make to its programs. It was able to do this because its founders knew how and wanted to reach out to companies.

Oded Grajew, the founder of Abrinq and a member of the Board, was the owner of a toy manufacturing company. He became interested in how he could improve the social and economic conditions of Brazilian children. Grajew was committed to starting an organization that could use private sector resources in the defense and support of children to do something about what he felt was Brazil's comparatively poor record on children. Grajew wanted a foundation that could reach out to business and business professionals to build on the proposition that businesses are also citizens. He felt businesses need a way to be involved. At the same time, he felt Abrinq should promote the idea that society must also see business as a social actor.⁵⁴

The proposition that the business sector would help if it were approached was tested by the Association of Toymakers even before Abrinq was established in 1990. For example, the Association convinced several large companies (including Lojas Americanas, a department store chain; and Fotóptica, a photographic supplies chain) to assist it in 1989 to carry out one of its first campaigns, a photographic contest on children's rights. These private contributions came in the form of advertising, technical advice and other in-kind contributions.

Another key element in Abrinq's efforts is that it put in place a staff of professional fundraisers who help it reach out to and follow up on its contacts. Abrinq's outreach to business has a number of levels:

- *Membership*—Businesses, professionals and individuals can become sustaining members. This approach is discussed in Chapter 4.4, Fundraising from Individuals and the Public
- *Partnerships*—Abrinq enters into limited partnerships with companies. In these partnerships, it gains from reaching a broader audience with its message and increased involvement and contributions. Companies gain from the publicity and association with the Abrinq name, program and logo
- *Program-related Collaboration*—Abrinq works with companies in ways that help to mobilize the corporate sector behind children’s issues in Brazil. Fundraising for Abrinq is not the object of this work. Instead the efforts pay-off more broadly by mobilizing financial and material support for children and promoting better business practice in the area of children. The Child-Friendly Company program below is an example of this

Partnerships

Partnerships usually grow out of discussions between Abrinq’s Board or staff members and business executives. Abrinq’s aggressive communications and marketing efforts bring about considerable opportunities for discussion at conferences, launches and other events.

Partnerships have been established with Unibanco, Sadia, Yázigi, Natura Cosméticas, Tupperware and others. Ligia Fonatanella, fundraising coordinator for Abrinq, says, “The success of our fundraising campaigns was due to the fact that their organizers were business people who were not in the habit of ‘begging’ for contributions.” Example of some of these partnerships are:

Partnership with Yakult



Yakult, an international foods company known for its trademark yogurt, offered the collaboration of 5000 of their independent sales representatives in a campaign supported by TV commercials, ads in newspapers and thousands of leaflets. The joint campaign raised more than US\$217,000 in donations from over 100,000 individuals.

Partnership with Citibank

In 1995, Abrinq established a partnership with Citibank around the Living Library Project to provide educators with adequate libraries and train educators to work as mediators between children and literature. By 1997, when the project was over, 93 libraries had been opened, 187 educators were trained and over 32,000 children benefited.⁵⁵

The Library that children need is described in a brochure:



Citibank believes it is the responsibility of a private company to contribute in the search for alternatives to the grave social problems of the country. In this sense, we invest in projects that envision the improvement of the quality of life in the communities in which we operate. We consider it a priority, today, to invest in basic education. On account of this, we have joined with the Abrinq Foundation for the Rights of the Child in the Living Library Project. The Abrinq Foundation is a nonprofit entity which seeks to promote the basic rights of the child working through diverse projects to raise their society, especially private enterprises.⁵⁶

Program-related Collaboration: the Child Friendly Company Program

By 1992, Abrinq's attention was increasingly directed to the issue of child labor. Although the Brazilian Constitution and the Children and Youth Statute prohibited the labor of children under the age of fourteen and protected the labor rights of youth, it was still a widespread practice.

By the end of 1992, Abrinq established a partnership with the International Labor Organization to launch a communications campaign. One outcome was a book *Children of Steel: A Photographic Denunciation of Child Labor in Brazil* that documented child exploitation in all regions of Brazil. A guest at the book launching ceremony suggested the adoption of a quality seal for companies not employing child labor. This ceremony was the genesis of the Child-Friendly Company Program which began in 1995 with funds from the Yakult campaign and, from 1997 on, with the financial support of the Safra Bank. The International Labour Organization and UNICEF provided the project with institutional backing.

The program is not a fundraising effort. Its primary purpose is to gain the commitment of Brazilian companies to abide by the country's child labor laws. Through the program, Abrinq asks companies to commit to not employ child labor nor to use suppliers who exploit child labor and to support activities that assist children. By signing this agreement, a company is awarded the right to use the Child Friendly Company Seal. Abrinq developed a guide for companies who participate in the program entitled *How to Make a Better Future* [condensed]:

What is the Child Friendly Company Program?

The Abrinq Foundation for Children's Rights created the Child Friendly Company Program with the objective of stopping the exploitation of child labor, which employs approximately 4 million children under 14 years of age all over Brazil. According to the Brazilian constitution and the Child and Adolescent Statute, this practice is expressly prohibited. To set a good example and participate in this program, contact the ABRINQ Foundation for Children's Rights.

The Advantages of Being a Child Friendly Company

Participating in this program, your company will receive a certificate and can use the Child Friendly Company seal on your products, services, official documents, dissemination materials or public relations campaigns. Just like the ISO 9000 seal, developed by the International Standards Organization, it is synonymous with total quality. The Child Friendly Company seal shows your company collaborates with an important project for our country. And, for the consumer, this seal will make a difference.

Where the Seal Can be Used

On packaging, official stationery, stickers, menus, tags, lighted displays, shopping bags, labels, banners, paper bags, stationery, note pads, tapes, boxes, brochures, announcements, TV ads, billboards, direct mail, posters, displays, institutional videos, shopping carts, diskettes, internet, mouse pads, folders, film containers, books, rubber stamps, gifts, paper towels, napkins, cups, plates, cans, tickets, travel tickets, signs, electric appliances, and many other places.

How to Become a Child Friendly Company

If you are already involved in some activity that benefits children and adolescents, reproduce on official stationery the text of the letter of intent signed by a legal representative and attach proof of your activities. Fill in the registration information in accordance with the sample letter of intent and send it to the Abrinq Foundation for Children's Rights, which will evaluate your submission.

What Does a Child Friendly Company Do?

It does not exploit child labor and it acts to benefit children and adolescents. What follows are some suggestions of activities:

- Adopt a school or public creche
- Build and maintain schools and or creches
- Provide youth with training opportunities
- Participate in setting up municipal funds for Children's Rights
- Invest in activities that complement school work (e.g., sports, culture, artistic education, creation of libraries, etc)

Model for a Contract Between Your Company and the Abrinq Foundation for Children's Rights

Guide for the composition of an agreement letter

1. Use company stationery to reproduce the agreement letter
2. Attach the project(s), program(s), printed articles or whatever publications refer to the actions the company has developed in the area of youth
3. The agreement letter should be signed by a legal representative of the company
4. There is no charge for the Child Friendly Company certificate

5. Model text for composing the agreement letter:
 To the Abrinq Foundation for the Rights of the Child
 We are requesting the "Child Friendly Company" certificate for our involvement in the following activities benefiting children and young Brazilians:

(Use however much space you need.)

We declare here that the intention of our company is to:

- Respect the Statute on the Child and the Adolescent, in Article 60, Chapter V, referring to the work prohibition for children under 14 years old
- Act together with our suppliers, contractors and clients to create awareness about the objective of the Child Friendly Company Program to eliminate child labor, as well as possible ways businesses can improve the quality of life of Brazilian children and youth

[Signature and Date] ⁵⁷

Example 3

Corporate Membership Group
Philippine Business For Social Progress

PBSP grew from the discussions and interest of Philippine business leaders in the 1970s. These leaders conceived of a foundation that would show private business could make a contribution to the progress and well-being of society. Business, they felt, could play a better role as a partner in social and economic development. They set themselves the task of finding a way for business to play this role and to sustain its contributions.

The founders took as a model a Venezuelan organization called the Voluntary Dividend for the Community which had been created by an association of businesses as an instrument for making a collective effort to address social problems in Venezuela. The founders of PBSP enlisted 50 corporations to become members of the fledgling foundation. This entailed signing a pledge committing their companies to contribute at least one percent of pretax earnings to fund PBSP and to support socio-economic development programs. PBSP has grown today into an institution that gives more than 100 million pesos per year (1997 equivalent to more than US\$ 3 million) and represents a coalition of over 172 member companies.⁵⁸

While the establishment of a foundation that would serve as a social development arm of Philippine business was met with some excitement and support, it was not universally embraced. Its critics wanted to know how business planned to contribute to development and if the effort could be sustained. Others felt the Foundation was

just a public relations strategy. PBSP has largely overcome this skepticism by building a track record in both program delivery and fundraising has gained for it an international reputation. It has also expanded its financial base by leveraging additional support from official development assistance agencies, local government and international non-governmental organizations.

The Membership Approach

Building a membership composed of businesses as an approach to strengthening private sector involvement in social and economic development required an investment of time and energy and a commitment to serving these members as a constituency of the foundation. Ernesto D. Garilao, former executive director of PBSP, suggests certain conditions are critical to the creation of a business approach like PBSP: specifically, how the membership is structured, the commitment of founders and recruiting an effective staff:

Setting Out Principles

...there were facilitating factors which made PBSP possible. The first is the commitment of the original founders, the captains of industry, to see through the vision and the organization. These top executives provided the foundation leadership. They assembled the membership, talked to their friends and associates to support the Foundation. They also remained with the Foundation long after its formation.

The second is the membership assembled was in agreement with the Foundation's development agenda, and more important was patient enough not to demand immediate results. In the case of PBSP, the substantive results did not come in until after five years.

The third is given both the commitment of the founders and the support and patience of the membership, the Foundation's management and staff were able to develop a relevant program of work, a track record, institutional credibility, and a solid financial base. These, the Foundation used as leverage to get outside resources.

On the other hand, there are hindering factors which make its replication difficult. The first, is the idea of a collective fund is hard to sell. Many initiatives from other countries have looked at PBSP and found assembling a diverse membership and a collective fund difficult to push. Companies prefer to have control or consent over use of their donations. They also want visibility for their contributions or donations.

The second is the 1% pledge. In the Philippines, many companies have mentioned the 1% pledge is the main stumbling block in considering PBSP membership. In the case of foreign corporations doing business in the Philippines, headquarters' approval has to be secured.⁵⁹

Through their commitment and pledges member companies have both collectively and individually become more involved in their communities. As a benefit, companies receive increased visibility for their efforts and a promise of a positive social impact. The statement of commitment provides a starting point that defines member responsibilities. The statement is reproduced in annual reports and other public documents.

Statement of Commitment

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 befits 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 obligations and responsibilities which it must discharge to the national community. The ultimate objective of private 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 of the preceding year's net profit before income taxes, of which twenty percent shall be delivered to, and for management and allocations by, a common social development foundation to be known as *Philippine Business for Social Progress*.⁶⁰

A Steering Committee (composed of the founders) assembled PBSP's membership by calling on friends and associates to join them. Those who joined often said they did so because they believed donations to PBSP contributed to improving the lives of the poor which was, in turn, an effective way to avoid mass discontent and social unrest.

Member companies serve on the Board and Board Committees. In 1997, the Chair was Andres Soriano III, Chief Executive Officer of the San Miguel Corporation, a national company that was active in PBSP's formation. PBSP's President was Luisa Y. Perez-Rubio, head of Pacific Products, Inc. In that year, members were involved in the management and operations of the foundation through fifteen committees and special assignments.

A Membership and Resource Development Committee is responsible for attracting new members to PBSP. In 1997, that Committee was composed of eleven business executives from member companies. Eight of the Committee members also served on PBSP's Board. Committee members held top positions in their companies, including President, Chair, Managing Partner and CEO. The Committee attracts new members through video and oral presentations made by Board members to prospective member companies. Company executives who have joined say that having CEOs of top Philippine corporations speak to them about corporate social responsibility is very effective in making the point. After these membership drives, PBSP's Membership and Corporate Involvement Unit (with seven staff persons in 1997) provides member companies and prospective members with information on ways and means by which companies can adhere to and demonstrate PBSP's development principles.⁶¹ The recruitment effort targets about ten new members from the three main regions of the country.

Membership fell after PBSP's first three years from 150 in 1974 to 120 in 1975. According to Bienvenido Tan (a PBSP founder and former President and Executive Director), corporate members dropped out of PBSP for two reasons: their companies could no longer afford membership or top leadership changed without the commitment being passed on to successors.⁶²

From 1974 to 1989, membership remained within a range of 110 to 130 companies. In 1989, the Board reduced the financial commitment of members. This was a strategy to boost membership and increase compliance of existing members—many of whom were not meeting their commitment to PBSP of 0.6% of profits (out of the total 1% which they promised to commit to social development). Dues were reduced to 0.2% of company profits, with the remaining 0.8% of the commitment to be spent by the company itself for its own social development initiatives. The results were positive. Membership began to rise again until, by 1994, PBSP could boast 174 corporate members. Still, however, PBSP continued to rely on roughly 50% of its contributions from founding members. In order to invigorate its membership, it has focused on creating services that respond to their needs.

Development of an Approach

PBSP has responded to changing attitudes concerning business involvement in social development initiatives throughout the years of its existence. In its *Review of the Past 25 Years: 1971-1995*, PBSP examined some of the lessons it has gleaned from its 25 year experience in promoting corporate involvement. PBSP believes Philippine corporations increasingly want to justify their expenses in terms of corporate benefit and impact in society. Around a quarter of PBSP's members have looked to it for guidance on how to structure their corporate responsibility programs over the last five years. The following excerpts from the review show how PBSP has seen its relations with both member and non-member corporations evolving:

The Development Phase (1971-1975)—The Foundation's resources were limited to corporate contributions and over the first five-year period, member companies contributed 19.2 million pesos. A Board of Trustees and Executive Committee composed of top executives of member

companies provided policy and program directions. Each year a new chairman was elected and in this manner “ownership” of the Foundation was distributed among its members. . .

The Consolidation Phase (1976-1980)—In the first five years of existence, membership in the Foundation grew from an initial 50 companies to over 170 in number. As the Foundation entered its second five years, however, close to one-third of the membership withdrew. The economic slump caused by the first and second oil shock changed the profit picture of many Philippine companies. . . Despite the withdrawal of members from the Foundation, the organization was still able to raise P44 million in revenues. In addition, individual corporate executives were tapped to offer specific time-bound technical assistance consultancies to identified projects. While not organized systematically, such technical assistance became the forerunner of a later corporate fellows program managed in the late 1980s. . .

Institutionalization Phase (1981-1985)—Investment income increased as a share of the overall resource pie while membership income declined. . . Technical assistance provided by member companies in the previous period was reorganized into the Small Industries Program funded by a World Bank contract. The SIP sought to link companies directly with communities in commercial ventures, not only in providing technical expertise, but more importantly, markets for local products and services. . . More important in terms of membership involvement was the progressive shift in the involvement at the Board level. In the face of worsening environment for development, the Board constituted for the first time a Strategic Review Committee. Through this mechanism, the Board got directly involved in setting new directions for the Foundation. . .

Charting New Directions (1986-1990)—From the midst of the crises of 1983-85 came individual company efforts to work directly with communities around their plants. The initial community relations projects organized and assisted by the Foundation’s membership Involvement Program (MIP) were largely welfare in orientation and in response to crisis. As the economy began to turn around, however, more companies began to see value for improved community relations not only in an altruistic manner but equally important in terms of business relations. . .

The Exploration Phase (1991-1995)—Membership involvement through community relations expanded not only among member companies but also among non-members. In March 1994, 60 companies met in Cebu for the first national conference on Corporate-Community Relations. The learnings presented by 27 of those companies point to a wide body of experience that is now being organized into what hopefully will serve as a new business function within the corporation. In 1992, the Foundation embarked on a new project, the Center for Corporate Citizenship and with this the redefinition of corporate social responsibility into corporate citizenship.

With increased participation at the Board level, there has been a greater sense of ownership of programs by the membership as evidenced by the increase in member country contributions. Compliance has been high and the number of active pledges increased over the period. By the end of the current five-year period, the capital fund of the Foundation will have surpassed its goal of P100 million first set in the early 1980s.

| | | |
|-----------|---|---|
| 1970-1975 | Contributor of funds (giving) contributions ↓ | Raised 19.2 million pesos from member |
| 1976-1980 | Funds and Individual expertise (technical assistance) ↓ | Raised 44 million pesos from member contributions. Launched capital campaign. |
| 1981-1985 | Institutional Links (Small Investment Program) ↓ | Raised 33 million pesos from member contributions, investment income, government contracts and foreign donors. Board limited percentage of funding that could be raised from "outside sources." |
| 1986-1990 | Corporate Involvement (membership involvement, program, community relations) ↓ | Raised 214 million pesos from diverse sources. Large increases came on because of increased PBSP board lifted cap on outside funding and channeled increased ODA funding. |
| 1991-1995 | Corporate Citizenship | Capital fund tops 100 million pesos. PBSP began to offer services to non-member companies. ⁶³ |

Services and Programs

PBSP has focused on building services for its members. Some of these services it sees as part of the value it adds for members for their contributions. For other services it charges an additional fee. Increasingly, non-member companies are involved in PBSP activities as well. PBSP assists companies to improve their capacity to work with and support communities and to engage with local environmental and social development activities. The effort extends beyond philanthropy to explore ways in which business can become a better partner in social and economic development efforts:

What happens to the 99% of the company's earnings? If the 99% is spent on business practices which are inconsistent with development like the wanton cutting of trees, polluting the environment or selling the uncontrolled consumption of alcohol, then the 1% becomes "conscience money." PBSP's social development philosophy must permeate the whole company. This is the only way true development can be achieved in the Philippines since it is the private sector which controls the majority of the country's financial resources and not the government.⁶⁴

Activities to encourage corporate citizenship and involvement include special events, best practice case studies, development education and training, corporate fora, professional grant management services and advice in corporate community partnerships. Although PBSP has charged for some of these services, the income has not been significant. The Board continues to discuss the issue of how much PBSP should charge for these services.

Members interact with PBSP in various capacities. They assist in the recruitment of new members. They are involved in PBSP activities and programs—adopting specific programs or communities, joining visits to PBSP projects, attending the

Annual Membership Meeting of PBSP where the Board discusses the accomplishments for the year and plans for the next year, or supporting fundraising activities such as the Golf Tournament and Festival of Trees, discussed below. And they can call on PBSP staff to build their capacity in the area of corporate social responsibility. PBSP helps build and enhance member companies' capacity by offering consultancies, technical assistance and education programs. Examples of such activities include CEO fora on corporate social responsibility, training courses with titles such as "How to Manage a Corporate Giving Program" or "Developing a Community Relations Strategy," and "insight visits" in which companies visit strong community relations programs. The Festival of Trees event, is described by a PBSP staff member as follows:

The Festival of Trees (FOT) is an annual black tie fundraising event started on the occasion of PBSP's 25th year anniversary in 1995. The Board (with the leadership of PBSP President Ma. Luisa Perez-Rubio) conceived the FOT as a means to raise funds for Samar, a resource-poor province with very little business presence, and therefore unable to raise significant corporate funding through traditional means. Likewise, the Board believed the FOT should be different from other fundraising campaigns as a fun event that takes place before Christmas.

The main feature of the FOT is an auction wherein well-known artists in the Philippines are asked to create and donate works of art (e.g., Christmas trees, tabletop decorations, gowns). Attendees bid for these items. Seats at dinner tables are sold to company sponsors and individual donors. The FOT includes ballroom dancing, which is popular among Philippine society's elite, and at the same time raises environmental consciousness among attendees (PBSP prepares a video every year to show the progress made in Samar with proceeds from the FOT).

To make the event successful, PBSP partnered with the Makati Garden Club, a social organization of Manila's elite ladies. The club had "expertise" in organizing this kind of social event and social connections to people who had the means to bid and buy the art pieces.⁶⁵

The two initiatives described below, The Center for Corporate Citizenship and the Science Laboratory Program, have stimulated a strong response from Philippine business:.

Center for Corporate Citizenship

The Center for Corporate Citizenship, a special project of PBSP, was started in 1992 to serve as a forum in which chief executive officers and other top corporate executives of both member and non-member companies meet to tackle policy issues on a wide range of topics. Through "consensus groups," the Center enabled business leaders to confront critical social issues in Philippine society and evolve possible solutions to these problems.

Originally, the focus was fourfold—education, environment, countryside development and local governance—but was later honed to an emphasis on education and environment, areas in which business leaders felt they could make a more significant impact.

Through the Center's events, business leaders have discussed and proposed solutions to issues, such as improvement of science and technology education for the country and the cleaning up of Metro Manila's air and river systems. The Center gives the impetus for the organization of these consensus groups and the secretariat to support their activities.

Events started in October 1992, when the Center organized the first series of three breakfast discussions which culminated in mid-1993. In these breakfast meetings, the Center invited experts as resource persons from the government and leading academic institutions to interact with business leaders. In several instances, research studies were supported by the Center to study in detail those issues that emerged.

Adopt a Science Laboratory

The Science Laboratories Program was the result of a research study on the state of science and technology education initiated by the Center in 1992 in cooperation with the government's Department of Education. The study found public high school students in the Philippines lagged behind in standardized science and technology exams because of their lack of access to appropriate science facilities and equipment. Critical concepts in chemistry and physics, for example, were taught by teachers using the blackboard, rather than through actual, hands-on laboratory experiments.

Responding to these findings, the CEO Consensus Group on Education created the Science Laboratories Program as a means to directly address the need to upgrade science and technology education in public high schools. Through the program, companies are asked to adopt a public high school of their choice and provide the financial support to build a science laboratory. Companies often identify public high schools where they have local operations (plants, sales offices, etc.), believing these students will be their future employees as well and therefore seeing a future benefit from investing in them. The program likewise addresses a company's public relations objectives.

PBSP worked with local education specialists at De la Salle University, in the government and in the schools designed a standard laboratory, discussed the needs with principals at various schools and looked for contractors. With each school, PBSP designed a package that was tailored to its needs and often included additional training of teachers in addition to enhancing the infrastructure. Participating companies receive recognition through publicity and having the company name on the laboratory or laboratories it supports. A PBSP document describes the program:

Help strengthen the science curriculum in public high schools by building laboratories for chemistry and physics instruction and providing the necessary equipment.

- Blueprint for laboratories developed by the Engineering Department of De la Salle University
- Equipment list according to Department, Education, Culture and Sports (DECS) standards
- Over a period of two years, science labs in thirteen (13) public high schools have been equipped by corporate sponsors - benefiting in each school more than a thousand students

- Choose a public high school from a list prepared by CCC and DECS or specify a high school of your preference

You can sponsor either

- Laboratory construction (P375,000) or
- Laboratory construction plus Chemistry and Physics lab equipment (P650,000)