

**TRENDS IN COLLABORATION:  
THE PHILIPPINE BUSINESS FOR SOCIAL PROGRESS (PBSP)  
EXPERIENCE**

Ana Leah Dungog-Cuizon, DPA  
Director, Institute of Public Governance,  
College of Arts and Sciences,  
Cebu Normal University  
and concurrently,  
University Public Information Officer  
Cebu Normal University  
Osmeña Boulevard, Cebu City, Philippines, 6000  
[cuizona@cnu.edu.ph](mailto:cuizona@cnu.edu.ph); [analeigh8@yahoo.com](mailto:analeigh8@yahoo.com)  
+63 933 472 4347; (032) 2537915 (local 115)

**Abstract**

This paper described and analyzed the existing collaborative framework and practices of the Philippine Business for Social Progress (PBSP) through the conduct and implementation of its programs and projects. It specifically looked into PBSP's initiatives in dealing with its co-players in the social development network i.e. fellow non-profit organizations and government agencies. Further, the study captures PBSP's uniqueness being the joint corporate social arm of multi-national corporations (MNCs) all over the country. The findings revealed that the successes and challenges of PBSP as a collaborative organization is highly dependent on its governance platform of collective engagement and their corporate strategy of consortium building in advocating its core program – HEEL (health, education, environment, and livelihood and enterprise).

Keywords: *Collaboration, Collaborative Organization, Governance Framework, Social Development Targets, Non-Profit Organization*

**1. Introduction**

On the international arena, the issue on development prioritization, whether it be social or economic, remained an interesting intellectual discourse among nations. Some believed that economic development is the means, whereas social development is the end. As for others,

economic progress cannot be achieved without human development. With these arguments as the backdrop, one thing may be deduced, and that is the vital role social development plays in the economic advancement of nations and states.

The Medium Term Philippine Development Plan (MTPDP) 2011-2016 of the current Aquino administration identified varying thrusts in its nine-chapter plan, part of which is the Social Development agenda as stipulated in Chapter 7 of its provisions. It is perceived that in recent years, the Philippine social sector has successfully confronted its challenges; however, such achievement cannot be compared to those of the Philippines' neighbouring Asian economies. The noble goal of the MTPD 2011-2016 to optimize social development may be elusive when it is not supported by a strong leadership that values good governance.

In *The Governance Triangle: Regulatory Standards Institutions and the Shadow of the State* by Kenneth Abbott, he emphasized the crucial role of the three actors that comprise the *Governance Triangle*, i.e. the state, the firms and the non-governmental organizations. These are the key sectors whose interactions within the society mold or shape the decision-making process, bind or break the decision made. Indeed, the smooth flow of communication and relations among these three major actors is necessary for good governance to be achieved and order and development to be fostered.

In the Philippine political setting, the Aquino administration encouraged the collaboration of the said actors of the governance triad. This is in the vein of collaborative governance. As each of this sector pursue their programs and projects, they exert collaborative efforts to engage other stakeholders with the end goal of the achievement of their purpose.

The Philippine Business for Social Progress (PBSP), a non-stock, non-profit organization established in 1970 by its 50 founding member companies which pledged to set aside one percent of their net income before taxes to fund poverty alleviating programs. Anchored on the concept of "enlightened self-interest", PBSP continues to be the largest business-led social development organization in the country dedicated to poverty reduction. At such, it practices collaborative means to achieve the organization's end-goals. At such, PBSP's collaborative initiatives become an interesting case in point in looking into trends of collaboration for the non-profit organizations.

## 2. Objectives

The study is aimed at analysing the collaborative practices of the PBSP as it pursued multi-level initiatives in the process of implementing its programs and projects in the Visayas region.

Specifically, the study intends to:

- identify the profile of PBSP according to:
  - vision and mission;
  - organizational structure; and
  - programs and projects?
- describe the status, styles and framework of the collaborative process utilized by PBSP; and
- recognize the successes and challenges encountered relevant to collaboration.

### 3. Definition of Terms

**Collaboration.** It is the process of engagement, involvement and participation of all stakeholders in the society in significant national events that impacts positively or negatively to all key actors.

**Governance Framework.** It is a paradigm adopted by state actors in running the government that varies across presidential administrations.

**Social Development Agenda/Target.** It is an outline of programs and projects geared for the upliftment of the present social condition of the country.

### 4. Methodology

This study made use of the qualitative research method utilizing a researcher-made questionnaire in generating information from the key respondents through personal interview of the key respondents.

Content analysis was likewise incorporated to provide another perspective into the grasp of collaborative practices of the Philippine Business for Social Progress. The documents analyzed included articles in magazines and research journals as well as the institution's annual reports, which discussed and elaborated on the role of PBSP in pursuing the Philippine social development agenda.

Moreover, the top managers, facilitators and some beneficiaries comprise the respondents of the study.

## 5. Results and Discussion

### 5.1 Vision-Mission

PBSP is a non-government organization (NGO) established in 1970 by its 50 founding member companies which pledged to set aside one percent of their net income before taxes to fund poverty alleviating programs. Today, the organization already has 248 member companies with fund sources that go beyond its members' financial pledge.

The conception of PBSP is anchored on the concept of "enlightened self-interest" (i.e. good society is needed for business to thrive); thus, the organization has taken the mandate to create a good socio-economic climate for business endeavors to be successful.

Now on its 42<sup>nd</sup> year, PBSP continues to be the largest business-led social development organization in the country dedicated to poverty reduction. As such, it remains true to its mission that: *"The Philippine Business for Social Progress is committed to poverty reduction by promoting business sector leadership in, and commitment to programs that lead to self-reliance."*

Moreover, the organization has reorganized its structure which is aimed to focus on building up and strengthening multi-stakeholder partnerships and collaboration through its various programs. It further forges its vision: “*To lead the business sector’s efforts to reduce poverty in the Philippines,*” a catch- all statement genuinely seeking to pursue and to develop inclusive business for inclusive growth.

## 5.2 Organizational Structure

Very recently, PBSP has reorganized its structure in order to direct its efforts to building and strengthening multi-stakeholder partnerships and collaboration through the *Platforms for Collective Engagements* (PlaCEs). In the same manner, business models are also redefined to suit the new strategic thrust of the organization, still built on collective impact and inclusive business.

*Figure 1* presents the new Organizational Structure of PBSP. One notices the national coverage of the structure, whereby the regional centers are found at the bottom with the Board of Trustees and the Executive Office on top.

The *Board of Trustees* sits as a policy-making body and oversees the internal as well as external audits of programs and projects conducted by the organization. At present, PBSP’s Board of Trustees is composed of 21 members who are elected officers from the member companies of the organization.

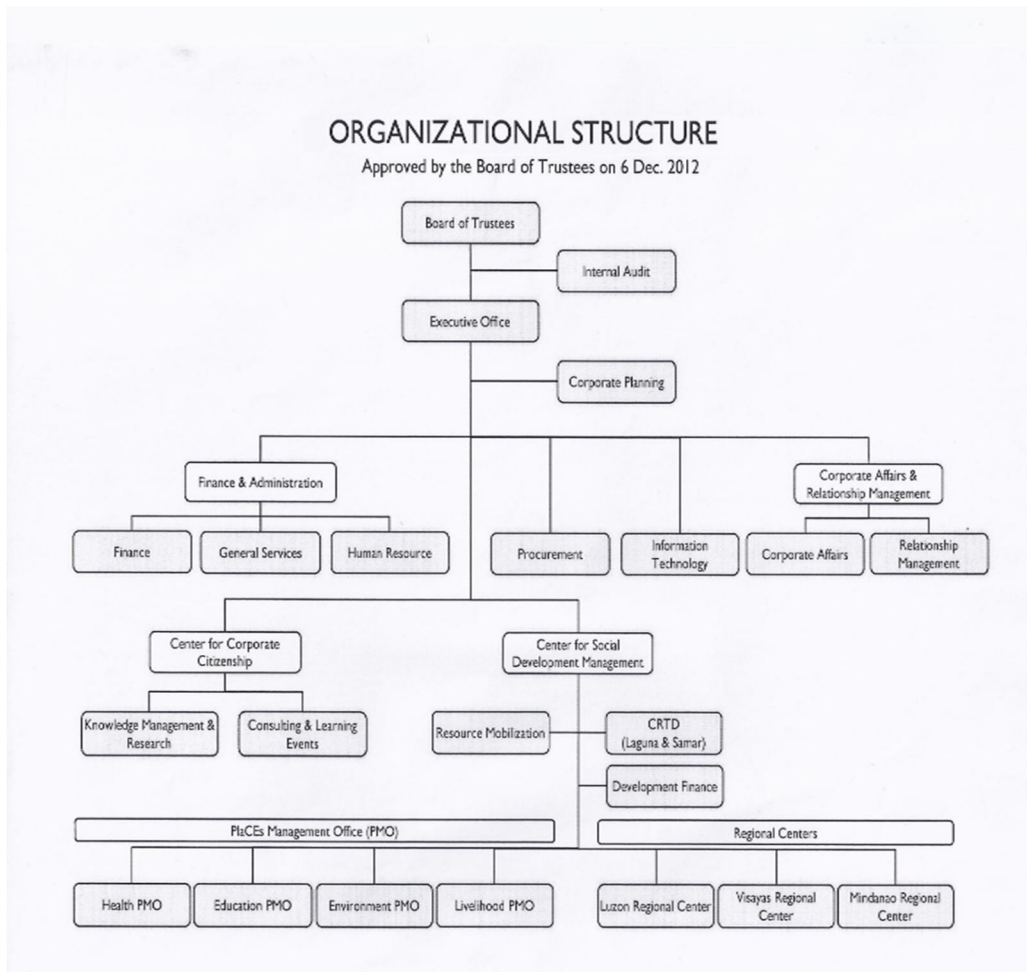
An internal auditing team straightly reports to the board and is independent from the control of the Executive Office; although an external auditing team may be sought to do another audit for the sake of transparency and accountability.

Under the Board of Trustees is the Executive Office which is headed by an *Executive Director*, the boss of the organization’s overall operations.

The three major units of PBSP directly report to the Executive Director as regards progress, updates and concerns of on-going and proposed projects and programs. These units are composed of approximately 400 staff members, both core and contractual.

Among these units is the *Business Support Services* that includes the *Finance and Administration Department* and the *Corporate Affairs and Relationship Management Department*. The said departments assist the two major business units – *Center for Social Development Management* (CSDM) and *Center for Corporate Citizenship* (CCC).

*Finance and Administration* it includes finance, general services as well as human resources, while *Corporate Affairs and Relationship Management* is in charge of procurement, information technology, corporate affairs and relationship management. The former is responsible for the disbursement of funds and the hiring of personnel, whereas the latter is responsible for packaging the annual reports of the organization and safeguarding the relationship of the organization with member companies.



**Fig. 1 Organizational Structure of Philippine Business for Social Progress (PBSP)**

Moreover, the first business unit, CSDM, takes charge of the management of the core programs of PBSP – HEEL. The unit manages the grants, implements the projects and establishes links with international donor institutions.

The other business unit, CCC, organizes the advocacy campaigns and takes on the role of knowledge development center of the organization. This unit tests the viability of a certain project before pushing it forward to the regional centers that are to directly manage such a project. Once the project is implemented, it goes back to CCC for the documentation of the knowledge or technology being generated from the said project.

The *PLaCEs Management Office (PMO)* works hand in hand with the two business units (CSDM and CCC) in looking into different project proposals. These project proposals may be internally funded by PBSP or it may outsource funds from international donor bodies. In either way, the PMO facilitates the process.

Finally, the regional centers are headed by directors who manage the over-all operations of the centers with the aid of both core and contractual staff. The staff directly mans the actual operation of varying projects and programs targeted in its respective area of focus. The regional directors report to the head office under the Executive Director everything that has to do with on-going projects and programs.

### 5.3 Programs and Projects

PBSP focuses on its four core programs, otherwise known as “*High HEELS*”, standing on its acronym: H for health; E for education; E for environment; and L for livelihood and enterprise.

For *Health*, the platform is to reduce mortality and morbidity due to tuberculosis and reduce maternal, neonatal, and child mortality and morbidity. PBSP gets a two billion allotment from Global Fund and USAID (United States Agency for International Development) for its tuberculosis and family health projects, respectively. The Director for the Visayas Regional Center mentioned that their organization’s linkage with the Department of Health (DOH) and rural health units is the key to awareness and capacitating the local people leading to informed choice and voluntariness (ICV).

Meanwhile, under *Education*, PBSP’s platform includes increasing enrollment, improving academic performance and facilitating completion of basic education. A Spanish NGO, *Fundacion Humanismo y Democracia*, is one with the organizations funding this project. Its basic focus is to attend to backlogs in the classroom. The two NGOs mentioned above are aiding each other in the creation and building of infrastructure for education. Likewise, teacher training and feeding programs for the students are also looked into. As for the target area, the bulk of the assistance for classroom building is in the Autonomous Region of Muslim Mindanao (ARMM) due to its great need.

For *Environment*, the platform is integrated watershed and coastal resource management, disaster risk reduction and climate change adaptation, and housing or resettlement related to flood control, relief and rehabilitation. The European Union funded a recently concluded project on coastal resource management, specifically zooming in on capacity building of the Fisheries and Aquatic Resources Management Council (FARMC). Such a project enabled the members of the council to make a sustainable coastal management plan that is duly approved by the LGU and ready for implementation.

Furthermore, for the last core program – *Livelihood and Enterprise*, the platforms for engagement include cluster strengthening and value-chain upgrading of priority sectors, workforce development, corporate-community partnerships, social entrepreneurship and promotion of micro, small and medium enterprises; and innovative financing.

For most of the enterprising endeavors of PBSP’s partner communities, the approach for success has always been interlinked with *value-chain* (i.e. prioritizing market activities with the existing market). The idea is to push forward the products yielded from these communities to pre-identified clients. In most cases, PBSP aids the community in partnering with a company, which

then becomes its market. This move is seen as the solution to the existing dilemma on marketing products yielded from the communities.

In addition, PBSP, with the *Deutsche Gesellschaft fur International Zusammenarbeit* (GIZ) jointly launched the program *Strategic Corporate-Community Partnerships for Local Development* (SCOPE) in 2004 with Negros Occidental and Cebu (for the Visayas); and Bukidnon, Davao, Sulu and Iligan (for Mindanao) as target areas. Being true to its mantra of *helping others help themselves*, SCOPE aims to bring about:

- local development and poverty alleviation through job creation and income generation;
- self-reliant communities to participate in economic activities (e.g. strengthened supply chain, improved quality of raw materials, skilled workforce); and
- sustainable livelihood and enterprise models by working with and learning from local companies.

To date, there are already a number of successful corporate-community partnerships. Cases in point are the *Gracie Q Creative Designs* of Brgy. Labangon, Cebu City and *Interior Crafts of the Islands, Inc.* of Brgy. Lahug, Cebu City.

At length, it is relevant to take note of PBSP's maiden project – the *SAMBAHAYAN*. This was basically a “condominium for the poor” mission launched in Manila which was later dispersed to other areas particularly in the late 1980s when PBSP already had its regional offices all over the country. The funding was then greatly anchored on the percentage of net income provided for by the member companies.

Since the late 1980s to the early 1990s, PBSP was affected by the global economic crisis, thus realizing the need to outsource funds specifically from international funding institutions. At present, eighty percent of the funding of these programs and projects is generated from external funding sources that are brought in by bilateral and multilateral agreements of international donor agencies and organizations.

## 6. The Collaborative Practices and Framework

The more than 240 member companies of PBSP advocate the platform of collective engagement in pursuing the organization's core program –HEEL (Health, Education, Environment, and Livelihood and Enterprise).

Through collective engagement, PBSP synchronizes its efforts towards a common goal using cohesive strategies on areas which the organization identified as its advocacies, i.e., in the fields of health, education, environment and livelihood. Figure 2 exhibits PBSP's collaborative framework.

Such strategies include *Collective Impact* and *Inclusive Business*. The Visayas Regional Director emphasized the significance of Collective Impact as a strategy in employing PBSP's projects and programs. Through the said strategy, a group of actors commit to have a long-term

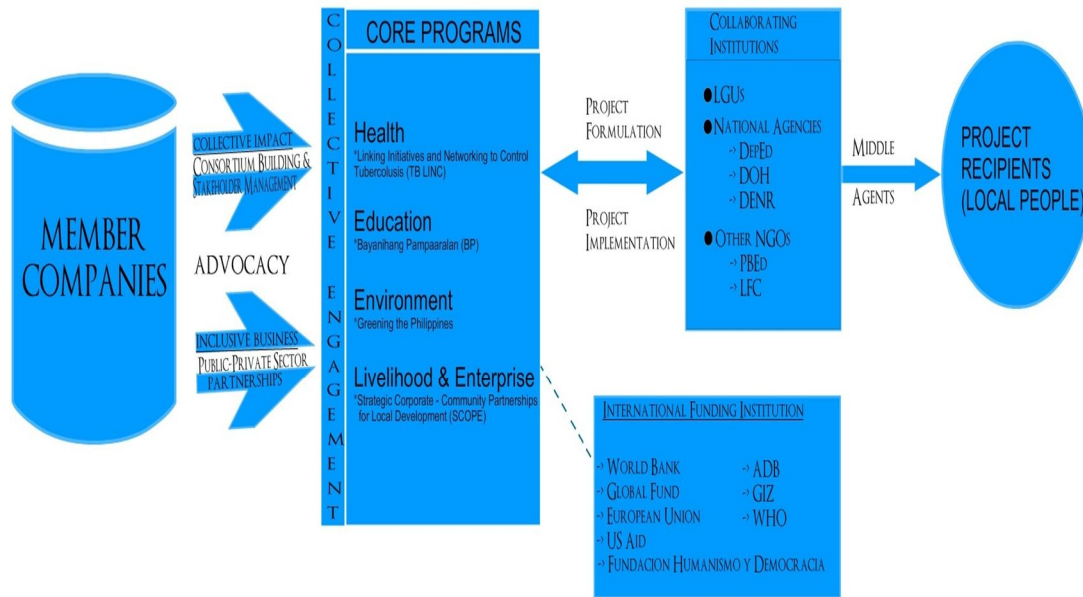
engagement in a common agenda that aims to address a specific social problem. Such strategy proves essential in consortium building and stakeholder management.

Further, in collective impact, the group's actions are usually supported by a shared mission statement, mutually reinforcing activities, and on-going communication staffed with a backbone organization. In most cases, the backbone organization pertains to the secretariat whose main task is to make sure the projects and programs along the lines of the common agenda are implemented. For *Bayanihang Pampaaralan*, PBSP is the backbone organization, while the other actors engaged in the project are the Philippine Business for Education (PBEEd), and the League of Corporate Foundations (LFC). Following the standards of the Department of Education, this project seeks to reverse the education crisis through strengthened public involvement in school community action. For health, PBSP's collective engagement is in *Linking Initiatives and Networking to Control Tuberculosis* (TB LINC). To achieve collective impact, it collaborates with Global Fund, USAID and the Department of Health. Likewise, there are other projects which are jointly organized with the World Health Organization (WHO). For livelihood and enterprise, Sustainable Livelihood Development Program collectively impacts on the community by engaging all member companies of PBSP in accessing the market for corporate communities' products.

According to the PBSP Chairman, inclusive business is a strategy that integrates the low-income segment or the so-called base-of-the pyramid within the organization's value chain of suppliers, consumers, distributors and/or employees in such a way that it creates shared value. This is genuinely trailing the Philippine MDGs, that which highlights inclusive growth. PBSP extends its hand to the public sector with Public-Private Partnerships. This way, inclusive business and inclusive growth is definitely within reach.

These main strategies of collaboration manifest the steadfast commitment of the organization in pursuing its goals through collective engagement. The Regional Director stressed that without the aid of collaborating institutions such as the LGUs and national agencies of the government, all the programs and projects of PBSP will be an exercise in futility. The continuous success of the organization is founded on the joint efforts of the above-mentioned organizations and the financial support coming from various international funding institutions such as World Bank, Global Fund, EU, USAID, ADB, GIZ, WHO and *Fundacion Humanismo y Democracia*, among others.





**Fig. 2 PBSP Collaborative Framework**

The formulation of a project may start from the bottom, in which case any association or cooperative may send proposals to PBSP for funding, or the project may be yielded as an output of an already existing program of the organization, i.e., from the top management. However, for the implementation of projects, PBSP deems the support of government agencies and LGUs as compulsory. They cannot push through with the implementation if the necessary documents for collaboration between PBSP and an LGU are not yet forged

Ultimately, a unique aspect of the collaboration framework of PBSP is in the transfer of benefits from the organization to the recipients or target beneficiaries. It was emphasized that PBSP never coordinates with the actual beneficiaries but through middle agents. To cite as an example, in the Livelihood and Enterprise program, the project team works with the cooperative or people’s association and not with the individual members. Indeed, the relationship between PBSP and the intended beneficiaries may be described as impersonal or indirect. This is still due to the platform on collective engagement of PBSP. The organization upholds strength in number, i.e., the more members the association has, the more powerful it is; thus, sustainability of the project becomes feasible. Likewise, the respective associations that PBSP deals with can be held liable in cases of delay or non-implementation of the project.

## **7. Concerns & Setbacks**

### **7.1 Local Politicking**

PBSP's Visayas Regional Director perceived that human problem is the core of any dilemma they encounter as they pursue collaboration with the other sectors. He elaborated that by human problem, he referred to the politicking of certain local political leaders. In most cases, projects of PBSP, particularly pertaining to the establishment of classrooms in the region, are to have their funding counterparts from the concerned LGU. However, there are instances in which the local leader hesitates to give support to such projects. At this point, the organization cannot push through with the project, since LGU support is indispensable. It is noted that the LGUs had their own way of governance which might not be along the same lines as the governance framework of PBSP.

### **7.2 Power Transition**

On the concern regarding the sustainability of the project, it becomes an issue when the transition of office of these local leaders comes into the picture. A case in point would be when a project which already has a memorandum of agreement (MOA) signed by the two parties, i.e., PBSP and the LGU leader, cannot be implemented since there are pending local elections. PBSP would have to wait for the results, to be assured that it would be dealing with the same local leader. Nonetheless, if a new leader is elected then the project would have to start from ground zero. This is the major stumbling block the organization has to contend with in the implementation of projects, particularly in the region. It called for a standardized process of doing things, that no matter who sits in the position, a service standard should have been established to assure continuity of project implementation.

### **7.3 Community Participation**

The attitude of the community towards these initiatives also matters. The kind of community that comprised Region VII is still used to the dole out system. PBSP's framework of collective engagement sounds strange to this people who had dealt with the traditional mode of granting aid for quite a while now. The wait-and-see attitude of the local people has to be changed. The community has to be capacitated for the sustainability of the programs and projects. The locals have to recognize the roles they have to take as managers and implementers of such, and not just mere recipients. In forging collaboration with other organizations, coordinating with the LGU, the local officials and the community are needed. Feed backing was required to ascertain that issues of PBSP with the community and vice-versa were addressed.

### **7.4 Interference of Middle Agents**

As a non-profit organization, PBSP solely deals with people organizations and civic associations. It does not entertain projects proposed directly by individuals. Rather, the

prioritization in terms of fund release is highly dependent on the affiliation of the group. This is so for PBSP recognizes the need for established and community-based organizations to assure of the sustainability of the projects.

Meanwhile, this becomes a disadvantaged as the beneficiaries do not have direct access to the formulation, planning and implementation of the said project. This led to the conception of middle agents as the case of these people organization and civic associations; the prime purpose of such is to mediate PBSP to the local community thus leading to the negative image that the first reflects in the localities.

## **8. Conclusion and Recommendation**

The success of the PBSP in its collaborative efforts is mainly attributable to the uniqueness of its collaboration framework which ensures impersonality as it coordinates with middle agents rather than its intended beneficiaries. Such framework enables them to maximize its advantage of having appropriate funding resources thus assures sustainability to some extent. However, for this same reason it creates a gap on the relationship between PBSP and the beneficiaries on the level of collective engagement and participation and how these beneficiaries view the organization. Also, the inevitability of the middle agents (People's Organizations and Civic Society Organizations) to advance their organizational interests in the process is not exactly remote.

It is deduced that collaboration in non-profit organization is best optimized through community empowerment that is anchored on every individual's heightened capacities for engagement.

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