

## **PBSP and enterprise development**

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I have had the rather rare opportunity of serving 21 chief executive officers and chairpersons of some of the most valuable corporations in the country. Together, they comprise the Board of Trustees of the Philippine Business for Social Progress (PBSP), representing 248 member-companies.

This is one of many rewards of working for PBSP, which wants to see the poor rise above poverty not from dole-outs but from their self-determination. Seeing the poor becoming self-reliant, and hearing the views of some of the top business leaders in the country, I continue to believe that there is space for idealism in this country.

PBSP said in 1970 that by working together, companies large or small, can make a difference in the lives of the poor. This belief resonates to this day in the boardroom where the 21 CEOs meet to take up PBSP's business of poverty reduction.

A humorous remark from MVP (Manuel V. Pangilinan, PBSP's chairman) would always set the convivial tone of the lunch meetings. The joke would ignite several other clever exchanges before the powerhouse team tackles the common passion that binds them.

Often discussed are strategies for assisting micro, small and medium scale enterprises (MSMEs). Because MSMEs comprise 99.6 percent of the total establishments, and employ 68 percent of the labor force, they are engines of local economic development and directly provide jobs and income.

The Canadian Executive Service Organization (CESO) evaluated the results of one of PBSP's enterprise development programs. The Business Advisory Program (BAP) provides professional business advice (from employees of PBSP members and other volunteers) to MSMEs.

CESO's outcome evaluation showed that 73 percent of the enterprise-respondents reported higher income and sales, 95 percent were able to bring their products and

services to markets, 58 percent hired more workers, and 9 percent availed themselves of financing for business expansion.

The Davao Oriental Coconut Husk Social Enterprise Inc. is one of the businesses assisted by PBSP. It started as a micro-enterprise conceived in 2003 by former Mayor Justina Yu of San Isidro, Davao Oriental, and Angela Villalba of Unlad-Kabayan Migrant Services Foundation. The two women wanted to improve the income capacities of farmers and mothers in the fourth-class municipality of San Isidro by cashing in on coco husks. Coco husks could be converted into coco coir, which is an export product, an alternative to synthetic fibers for household and industrial use. They believed that by using the resource abundant in the community, they could help reduce poverty which affected one in every two families there.

Many partners assisted the start-up coco coir business. PBSP helped in 2006. PBSP and CESO brought in Canadian and Filipino engineers who diagnosed operations problems, and introduced technology and new work methods. By 2007, exportable products increased by 34 percent. The business grew and moved from micro-enterprise level to becoming a small-scale enterprise with assets exceeding P5 million. More farmers were hired, thereby increasing their income. Today, PBSP continues to assist the enterprise through marketing improvement.

Other success stories from PBSP-BAP are featured in a book that will be showcased this year together with other Asia-Pacific initiatives.

PBSP is looking for more MSMEs to assist and volunteer-experts to help. MVP synthesized the position of the board, which puts enterprise development high up on the PBSP corporate social responsibility agenda: "Business cannot ignore this opportunity to help more than a third of our population that remains locked in poverty. PBSP is committed to the task of generating and marshalling resources to finance micro-to-medium-sized enterprises and provide markets for their products."

PBSP appointed new trustees, namely, Ramon Xavier Augustines, Ramcar Inc., Federico Lopez, First Gen Corp. (representing First Philippine Holdings), Eric Recto, Petron, Judith Lopez, Isla Lipana & Co. PricewaterhouseCoopers, and Jon Ramon Aboitiz, Aboitiz and Co., who previously served as PBSP trustee.

They join the following board members: Jose Antonio Aboitiz, Davao Light and Power, David Balangue, SGV & Co., Jose Antonio Banson, Monark Equipment, Jocelyn Campos-Hess, United Laboratories, Edgar Chua, Shell, Jaime Ruiz de Haro, CEMEX Group of Companies (representing APO Cement Corp.), Fernando Fernandez,

Unilever Philippines Inc., Doreswamy Nandkishore, Nestlé Philippines, Ma. Luisa Perez-Rubio, Ponderosa Farms, Marixi Prieto, Philippine Daily Inquirer, Pedro Roxas, CADP Group, James Velasquez, IBM Philippines, Sanjiv Vohra, Citi, Ramon del Rosario Jr., Phinma, Paul Dominguez, Sarangani Agricultural Co. and MVP, PLDT.

Rowena Sugay holds a Master in Business Administration degree from the University of the Philippines. She writes about corporate citizenship, social enterprises, and culture-in-development, and is a manager at PBSP which is a partner of The Manila Times in encouraging entrepreneurship among Filipinos and promoting the growth of SMEs. PBSP may be reached at [pbsp@pbsp.org.ph](mailto:pbsp@pbsp.org.ph).