

Opportunities and Challenges in Corporate Giving

Corporate giving has gone a long way in this country. What began as a simple dole-out system has now become a vehicle for Corporate Social Responsibility and Citizenship. Corporations are now concerned over where their donations are going and how their visions are transformed into concrete opportunities to serve the community.

For these firms, successful performance involves not only compliance with the law and public policies, but also requires fulfilling broader responsibilities. “Firms make charitable contributions, provide direct assistance to community organizations, support schools, provide employee and community education programs, establish programs to aid the disadvantaged, and take measures beyond those required by law to protect the environment and the safety of employees and customers.”⁵

There has never been a better time to engage in Corporate Social Responsibility than today. Not only is the need great and the opportunities plentiful, but there is in fact a system in place that encourages, and even rewards, corporations desiring to discharge their social responsibilities. This has been made especially easy for those desiring to aid the work of private, non-profit organizations for the welfare of the country’s poor and disadvantaged.

The Philippines has one of the few legal systems in Asia that recognize the important role that NGOs and other non-profit organizations play in nation building.⁶ Its Constitutional mandate has paved the way for the creation of a “social demand” for corporate giving in the country. The Philippine government seeks to fill this demand by promoting the sponsorship of legitimate and deserving organizations with proven track records. Tax incentives extended to corporate sponsors are one of the ways by which it does this. In this encouraging climate, many NGOs and People’s Organizations have forged fruitful partnerships with the corporate sector, which has made available to their non-profit partners much-needed financial resources and technical know-how.

Government efforts to encourage non-profit activity is laudable, but more can be done in this field.

For one, the extension of tax incentives to compensation earners will be a most welcome item of tax reform. This will give individual donors an incentive to have a personal involvement in the welfare of society.

Another area for tax reform involves the more intangible or innovative modes of corporate giving. Tax incentives have so far focused on the more concrete manifestations of corporate giving such as cash, personal, and real properties. Tax laws have yet to provide incentives for corporate giving in the form of service, skills, and technology. A mechanism for the valuation of employee volunteer efforts, for instance, would be a step in the right direction.

The more innovative methods include corporate initiatives in the workplace, which are becoming increasingly popular. The Philippine government should take note of this trend and find a place for it in its incentive scheme. The Dual Training System and Adopt-a-School Laws are tangible expressions of such a move.

There is certainly some room for improvement, but even now so many things can be accomplished when the non-profit and corporate sectors work hand in hand. Corporations that choose to go the extra mile or two will find not only that they have benefited society, but that they have also strengthened themselves for the long run.