


# Empowering Communities Through Corporate Social Responsibility: Supporting Micro Enterprises for Livelihood Sustainability Basis for Community Development Programs

Danilo. Rayo, MBA   
University of Perpetual Help System Dalta  
[danilorayo428@gmail.com](mailto:danilorayo428@gmail.com)

Josielyn M. Mendoza  
University of Perpetual Help System Dalta  
[dr.jhomendoza@gmail.com](mailto:dr.jhomendoza@gmail.com)

Publication Date: October 19, 2025

DOI: 10.5281/zenodo.17451844

## Abstract

This study examined the role of Corporate Social Responsibility (CSR) in empowering communities and sustaining livelihoods in Metro Manila. Specifically, it assessed the effectiveness of CSR initiatives in terms of environment, human resources, workplace, and community development; analyzed CSR's contribution to livelihood sustainability across poverty reduction, skills development, access to resources, social inclusion, sustainable development, and empowerment; and determined the relationship between CSR effectiveness and livelihood sustainability. A descriptive–correlational quantitative design was employed, with data gathered from 308 respondents consisting of micro-enterprise managers/owners, barangay officials, and residents. Data were collected using a validated researcher-made questionnaire and analyzed through descriptive statistics and Pearson's correlation. Findings

revealed that CSR programs were rated “effective” by residents but only “moderately effective” by barangay officials, with community development as the strongest domain and human resources the weakest. CSR was found to have a “moderate to high contribution” to livelihood sustainability, with empowerment and sustainable development rated highest. A very strong positive correlation ( $r = .887, p < .001$ ) was established between CSR effectiveness and livelihood sustainability, confirming that well-implemented CSR directly enhances community resilience and long-term socio-economic stability. The study concludes that CSR is not merely philanthropic but a strategic driver of sustainable development. It recommends integrating multi-year capacity-building, inclusive participation, and partnerships between enterprises, local governments, and civil society to maximize CSR's long-term impact.

**Keywords:** *Corporate Social Responsibility, micro-enterprises, livelihood sustainability, community empowerment, Philippines*

## INTRODUCTION

Corporate Social Responsibility (CSR) is broadly understood as the commitment of businesses to contribute positively to society by integrating social, environmental, and economic concerns into their operations and stakeholder interactions. In the Philippine context, CSR extends beyond philanthropy to support inclusive growth, uplift marginalized sectors, and foster social equity. Initiatives often include environmental sustainability, education, healthcare, and livelihood programs, which are vital in empowering communities by creating opportunities for economic participation and social advancement (Alvarez, 2025). These efforts are reinforced by policies such as the General Appropriations Act (GAA), the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act, and the Securities and Exchange Commission (SEC) Memorandum Circular No. 7, Series of 2008, which encourage or require corporations to align CSR with national development priorities.

Micro-enterprises, which account for a large share of the Philippine economy, play a critical role in supporting local livelihoods. They help address poverty, sustain community resilience, and strengthen local economies. However, micro-enterprises often struggle with scalability, limited financing, and gaps in long-term development strategies. According to Satpahty et al. (2025), sustaining these enterprises requires accessible financing, capacity-building, and consistent community engagement. CSR initiatives can fill these gaps by providing financial literacy, vocational training, supply chain access, and policy support through partnerships with local government units and NGOs. When effectively implemented, CSR strengthens both enterprises and communities by fostering economic resilience and empowering grassroots populations.

Despite the increasing adoption of CSR in the Philippines, gaps remain. Observations reveal that many initiatives are short-term, misaligned with local needs, or fail to address systemic barriers to enterprise growth (Alizadeh, 2022). Research also shows limited evidence of CSR effectiveness from the perspectives of barangay officials, residents, and micro-entrepreneurs themselves. As a result, there is a need for empirical studies that assess how CSR programs are perceived in terms of effectiveness, how they contribute to livelihood sustainability, and whether they establish meaningful, long-term impacts on communities.

This study addresses these gaps by investigating the role of CSR in empowering communities and sustaining livelihoods. Specifically, it examines how respondents assess the effectiveness of CSR initiatives in terms of environment, human resources, workplace, and community development (RQ2); how CSR contributes to livelihood sustainability in terms of poverty reduction, skills development, access to resources, social inclusion, sustainable development, and empowerment (RQ4); and whether a significant relationship exists between CSR effectiveness and livelihood sustainability (RQ5). The findings aim to provide evidence for designing CSR programs that genuinely empower communities, strengthen micro-enterprises, and promote inclusive growth at the grassroots level.

## Statement of the Problem

This research aims to determine how to empower communities through corporate social responsibility (CSR), particularly within community settings. Furthermore, the study intends to formulate a community development program that supports micro-enterprises for livelihood and sustainability.

Specifically, the researcher would like to provide answers to the following questions;

1. How do respondents assess the effectiveness of corporate social responsibility implemented by the different enterprises to empower the communities with regards to the following;
  - 1.1 Environment;
  - 1.2 Human Resources;
  - 1.3 Workplace; and
  - 1.4 Community Development?
2. How does corporate social responsibility contribute to the livelihood sustainability of the community with regards to:
  - 2.1 Poverty and Reduction;
  - 2.2 Skills Development;
  - 2.3 Access to Resources;
  - 2.4 Social Inclusion;
  - 2.5 Sustainable Development; and
  - 2.6 Empowerment and Agency?
3. Is there is significant relationship between effectiveness of corporate social responsibility and livelihood sustainability in the community?

## **METHODOLOGY**

The study employed a descriptive–correlational quantitative design, which is suitable for examining the relationships between variables without establishing causality. This approach allowed the researcher to describe respondents’ assessments of CSR effectiveness, measure CSR’s contributions to livelihood sustainability, and determine the correlation between these two variables. In line with Aprecia (2022), descriptive–correlational research observes variables in their natural setting to uncover patterns and associations, while quantitative analysis provides measurable data that enhance validity and reliability.

The respondents consisted of 308 participants from Metro Manila: seven (7) managers/owners of micro-enterprises, fifty-six (56) barangay officials, and two hundred forty-five (245) barangay residents. Respondents were selected through random sampling, ensuring equal chances of participation and reducing selection bias (Noor et al., 2022). Inclusion criteria required that managers/owners had operated their business for at least one year and had engaged in CSR initiatives; barangay officials were directly involved in planning or implementing CSR-related programs; and residents were permanent community members and beneficiaries of CSR activities.

Data were collected through a researcher-made survey questionnaire developed in alignment with the study objectives. The instrument included three sections: (1) respondent demographics, (2) assessment of CSR effectiveness across environment, human resources, workplace, and community development (RQ2), and (3) CSR contributions to poverty reduction, skills development, access to resources, social inclusion, sustainable development, and empowerment (RQ4). It also measured the relationship between CSR effectiveness and livelihood sustainability (RQ5). Responses were gathered using a five-point Likert scale ranging from strongly disagree to strongly agree.

The survey instrument underwent expert validation by three academic specialists to ensure content validity and was pilot-tested with 25 participants to refine clarity and structure. Reliability was measured through Cronbach’s alpha, confirming internal consistency of the survey items. Upon approval, formal

letters of request were submitted to local authorities for permission. Data collection was conducted using both face-to-face and online survey distribution. Respondents were fully briefed on the study purpose, assured of confidentiality, and informed consent was obtained prior to participation.

Quantitative data were encoded in Microsoft Excel and analyzed using SPSS Version 27. Descriptive statistics such as weighted mean and standard deviation were used to interpret assessments of CSR effectiveness (RQ2) and CSR contributions to livelihood sustainability (RQ4). Pearson's correlation coefficient was employed to determine the strength and significance of the relationship between CSR effectiveness and livelihood sustainability (RQ5). A significance level of  $p \leq 0.05$  was applied to guide interpretation.

The study adhered to ethical standards of research. Informed consent was obtained from all participants, who were assured of their anonymity, voluntary participation, and the right to withdraw at any time. Data were securely stored and used solely for academic purposes, in compliance with the Data Privacy Act of 2012.

## RESULTS AND DISCUSSIONS

**Table 1**

**Assessment on the Effectiveness of Corporate Social Responsibility Implemented by the Different Enterprises to Empower the Communities**

INDICATORS	CLASSIFICATION	MEAN	SD	INTERPRETATION	RANK
1. Environment	Resident	3.57	0.64	Effective	3
	Official	3.01	0.19	Moderately Effective	
	Combined	3.46	0.62	Moderately Effective	
2. Human Resources	Resident	3.52	0.60	Effective	4
	Official	3.19	0.38	Moderately Effective	
	Combined	3.45	0.58	Moderately Effective	
3. Workplace	Resident	3.55	0.60	Effective	2
	Official	3.10	0.30	Moderately Effective	
	Combined	3.47	0.58	Moderately Effective	
4. Community Development	Resident	3.59	0.61	Effective	1
	Official	3.19	0.41	Moderately Effective	
	Combined	3.52	0.60	Effective	
Overall Mean	Resident	3.56	0.61	Effective	
	Official	3.12	0.32	Moderately Effective	
	Combined	3.48	0.60	Moderately Effective	

**LEGEND: VERY EFFECTIVE (=4.51-5.0); EFFECTIVE (=3.51-4.50); MODERATELY EFFECTIVE (=2.51-3.50); LESS EFFECTIVE (=1.51-2.50); NOT EFFECTIVE AT ALL (=1.0-1.50)**

Table 1 indicates the assessment on the effectiveness of corporate social responsibility implemented by the different enterprises to empower the communities. The overall findings reveal that residents

perceived the CSR programs of enterprises as effective (Overall Mean = 3.56), while barangay officials consistently rated them only as moderately effective (Overall Mean = 3.12). When combined, the overall interpretation falls at the midpoint of moderately effective (Mean = 3.48). This indicates that while CSR efforts are generally appreciated and acknowledged by community members, barangay officials see more room for improvement, possibly due to their broader perspective on long-term development needs.

Among the four dimensions, community development received the highest combined mean rating and was ranked first. This implies that enterprises are most effective in addressing socio-economic needs, enhancing education and health services, and building the capacity of local organizations. Literature supports this trend, noting that CSR in developing communities often prioritizes initiatives with visible and immediate community impact, such as livelihood training, education, and social welfare (Sharofiddin et al., 2024).

On the other hand, human resources received the lowest combined mean rating. While residents viewed CSR as effective in providing skills and supporting continuous learning, barangay officials rated it lower, possibly due to limited job creation or insufficient long-term opportunities. Studies have highlighted that while CSR initiatives often focus on training, they may fall short in translating skills into sustainable employment (Ahmad et al., 2024). This gap explains the relatively lower rating.

This implies that enterprises' CSR programs are most impactful when they focus on community-wide benefits, particularly capacity building and development projects that directly improve social well-being. However, there remains a need to strengthen CSR initiatives related to human resources development, especially in creating sustainable employment opportunities and ensuring fair labor practices. To bridge these gaps, enterprises may collaborate more closely with local governments and organizations to align CSR initiatives with community development plans and labor market needs.

**Table 2**

**Assessment on Corporate Social  
Responsibility Contribution to the Livelihood  
Sustainability of the Community**

INDICATORS	CLASSIFICATION	MEAN	SD	INTERPRETATION	RANK
1. Poverty and Reduction	Resident	3.52	0.57	High Contribution	5
	Brgy Official	3.21	0.38	Moderate Contribution	
	Combined	3.46	0.56	Moderate Contribution	
2. Skills Development	Resident	3.55	0.61	High Contribution	3
	Brgy Official	3.29	0.44	Moderate Contribution	
	Combined	3.50	0.59	Moderate Contribution	
3. Access to Resources	Resident	3.56	0.61	High Contribution	4
	Brgy Official	3.07	0.22	Moderate Contribution	
	Combined	3.47	0.59	Moderate Contribution	
4. Social Inclusion	Resident	3.54	0.60	High Contribution	6
	Brgy Official	3.00	0.03	Moderate Contribution	
	Combined	3.44	0.58	Moderate Contribution	
5. Sustainable Development	Resident	3.58	0.59	High Contribution	2
	Brgy Official	3.18	0.36	Moderate Contribution	
	Combined	3.51	0.58	High Contribution	
	Resident	3.60	0.63	High Contribution	1
	Brgy Official	3.19	0.38	Moderate Contribution	



6. Empowerment and Agency	Combined	3.52	0.62	High Contribution	
Overall Mean	Resident	3.56	0.60	High Contribution	
	Brgy Official	3.16	0.30	Moderate Contribution	
	Combined	3.48	0.59	Moderate Contribution	

**LEGEND: VERY HIGH CONTRIBUTION (=4.51-5.0); HIGH CONTRIBUTION (=3.51-4.50); MODERATE CONTRIBUTION (=2.51-3.50);**

**LOW CONTRIBUTION (=1.51-2.50); NO CONTRIBUTION AT ALL (=1.0-1.50)**

Table 2 indicates the assessment on corporate social responsibility contribution to the livelihood sustainability of the community. Data shows that residents consistently rated CSR initiatives as having a high contribution to livelihood sustainability (Overall Mean = 3.56), while barangay officials perceived them as having only a moderate contribution (Overall Mean = 3.16). The combined assessment falls under moderate contribution (Mean = 3.48), indicating that although CSR programs are recognized as beneficial, their perceived impact varies depending on the stakeholder group. This gap implies differences in expectations: residents directly benefit from CSR projects and thus appreciate their immediate effects, while barangay officials evaluate them from a broader, long-term perspective and may find them lacking in systemic sustainability.

Among the six indicators, Empowerment and Agency ranked the highest. This implies that CSR programs are most effective in fostering participation, leadership, and a sense of control over economic and livelihood activities. It highlights that community members feel more engaged and capable when CSR efforts focus on capacity building and shared decision-making. On the other hand, the lowest-rated areas were Social Inclusion and Poverty Reduction, both interpreted as moderate contribution. This implies that while CSR programs help enhance skills and provide resources, their impact on addressing deeper social issues such as inclusivity and poverty alleviation remains limited. Literature affirms that CSR initiatives often focus on short-term relief and skills programs but may fall short in tackling systemic inequalities and poverty reduction strategies (Ventura et al., 2023).

The assessment indicates that CSR programs make tangible contributions to livelihood sustainability, particularly in empowerment and sustainable development. However, to strengthen their overall impact, CSR initiatives should place greater emphasis on inclusive participation, poverty alleviation strategies, and long-term systemic solutions. This would ensure not only immediate livelihood benefits but also lasting improvements in equity, resilience, and community well-being.

**Table 3**

**Significant Relationship between Effectiveness of Corporate Social Responsibility and Livelihood Sustainability in the Community**

Variable Tested		R-Value	Degree of Correlation	Sig Value (2 tailed)	Decision on HO	Interpretation
Effectiveness of Corporate Social Responsibility	Livelihood Sustainability in the Community	.887	Very Strong Positive	.000	Reject/Ho not Supported	Significant

Table 3 shows the significant relationship between effectiveness of corporate social responsibility in the community. The statistical test revealed an R-value of 0.887, which indicates a very strong positive correlation between the effectiveness of Corporate Social Responsibility (CSR) and livelihood sustainability in the community. The significance value ( $p = .000$ ) is well below the 0.05 threshold, leading to the rejection of the null hypothesis ( $H_0$ ). This means there is a statistically significant relationship, suggesting that as CSR initiatives become more effective, the sustainability of community livelihoods also improves.

This result implies that CSR is not only a complementary activity but also a strategic driver of livelihood sustainability. The very strong correlation implies that well-implemented CSR programs—such as skills training, access to resources, empowerment initiatives, and sustainable livelihood projects—directly contribute to improving community resilience and long-term economic stability. According to D'Souza et al., (2024), CSR initiatives that prioritize community development foster both social well-being and business sustainability by creating shared value. .

The finding also highlights that CSR initiatives are most effective when they are inclusive, participatory, and aligned with the actual needs of the community. Programs that empower individuals to take leadership roles and encourage sustainable practices have been shown to increase long-term livelihood security (Muliati et al., 2024). The strong correlation in this study supports this notion, as communities that perceive CSR as effective also experience greater improvements in their livelihood conditions.

Data indicates that companies should view CSR as an investment in community sustainability rather than merely a philanthropic activity. Effective CSR initiatives can lead to improved social cohesion, reduced poverty levels, and enhanced resilience of livelihoods against economic and environmental challenges. For policymakers and community leaders, this underscores the need for stronger partnerships between private organizations and local stakeholders to co-create programs that directly address community needs. On the part of businesses, effective CSR strengthens their social license to operate, builds trust, and enhances corporate reputation, which in turn contributes to long-term profitability and sustainability.

## Conclusions

Based on the summary of findings, the following conclusions are drawn:

1. CSR programs are generally perceived as moderately effective, with residents consistently rating them higher than barangay officials. The strongest effectiveness is observed in community development, particularly in promoting environmental awareness, safe workplaces, and livelihood skills. However, barangay officials' lower ratings highlight gaps in addressing long-term structural needs. This implies that while CSR initiatives benefit communities, their design and impact may not fully align with the broader developmental perspective of local leaders.
2. CSR programs are perceived to have a moderate to high contribution to livelihood sustainability, with residents again rating them higher than barangay officials. The strongest impacts are seen in empowerment, sustainable development, and skills development, while access to resources and social inclusion are rated more moderately. This means that while CSR initiatives help reduce poverty and enhance agency, stakeholders recognize the need for more systemic and inclusive approaches to fully sustain livelihoods.
3. The very strong positive correlation demonstrates that CSR effectiveness directly enhances livelihood sustainability. This means that as enterprises improve the relevance, inclusiveness, and delivery of their CSR programs, communities are more likely to achieve long-term resilience, empowerment, and sustainable development. The finding confirms CSR as not only a philanthropic effort but also a strategic driver of community well-being.

## Recommendations

Based on the conclusions, the following recommendations are created:

1. Enhance the long-term effectiveness of CSR programs by integrating sustainable components such as follow-up mentoring, continuous monitoring, and capacity-building activities. Enterprises, in partnership with barangay officials and schools, can design multi-year projects that combine environmental awareness with livelihood skills, ensuring programs address both immediate needs and structural development goals.
2. Strengthen livelihood sustainability by designing CSR programs that combine skills training with access to resources, micro-financing, and inclusive participation. Enterprises can collaborate with cooperatives and barangay leaders to implement training-to-employment pipelines, provide starter kits for micro-businesses, and create inclusion mechanisms for marginalized groups, ensuring both empowerment and equity in outcomes.
3. Build stronger CSR support systems by equipping microenterprises with financial incentives, training on accountability, and technical support for CSR integration. Government agencies and NGOs can provide matching grants or subsidies to address budget constraints, while barangay officials can institutionalize formal partnerships that streamline logistics, amplify legitimacy, and encourage wider community mobilization.

## REFERENCES

- Ahmad, N., Samad, S., & Han, H. (2024). Charting new terrains: How CSR initiatives shape employee creativity and contribute to UN-SDGs in a knowledge-driven world. *Journal of Innovation & Knowledge*, 9(3), 100557. <https://doi.org/10.1016/j.jik.2024.100557>
- Alizadeh, A. (2022). The Drivers and Barriers of Corporate Social Responsibility: A Comparison of the MENA Region and Western Countries. *Sustainability*, 14(2), 909. <https://doi.org/10.3390/su14020909>
- Alvarez, A. B. R., & Cabrera, A. J. W. (2025, May). Exploring the barriers to CSR initiatives in the Philippine business context: A legal and management perspective. ResearchGate. <https://doi.org/10.13140/RG.2.2.24111.85923>
- Aprecia, N. A. B., Barrera, G. A., Cuares, K. R. A., Cuison, M. J. L., Lazaro, M. K. D., Pat-i, K. K. M., & Sayson, Y. J. H. (2022). A descriptive correlational study on the physical environment and perceived academic performance of STEM online learners. Notre Dame of Marbel University – Integrated Basic Education Department, Senior High School.
- D'Souza, C., Sullivan-Mort, G., Nguyen, Q., Nanere, M., & Maritz, A. (2024). CSR investments and innovation – Aligning and creating shared value. *Journal of Cleaner Production*, 481, 144189. <https://doi.org/10.1016/j.jclepro.2024.144189>
- Muliati, M., Totanan, C., Jamaluddin, J., Pattawe, A., Iqbal, M., Mile, Y., ... & Mayapada, A. G. (2024). Enhancing sme green performance: the role of environmental and social responsibility programs and environmental dynamism. *International Journal of Sustainable Development and Planning*, 19(2), 799-806. <https://doi.org/10.18280/ijstdp.190238>
- Noor, S., Tajik, O., & Golzar, J. (2022, December). Simple random sampling. *International Journal of Education, Learning and Society*, DOI:10.22034/ijels.2022.162982



- Satpathy, A. S., Sahoo, S. K., Mohanty, A., & Mohanty, P. P. (2025). Strategies for enhancements of MSME resilience and sustainability in the post-COVID-19 era. *Social Sciences & Humanities Open*, 11, 101223. <https://doi.org/10.1016/j.ssaho.2024.101223>
- Sharofiddin, A., Musse, O. S. H., & Abdelhak, T. (2024, June). Evaluating corporate social responsibility in achieving sustainable development and social welfare. *BRICS Journal of Economics*, 5(2), 77–102. <https://doi.org/10.3897/brics-econ.5.e121429>
- Ventura, J., & Jauregui, K. L. (2023). Poverty reduction through corporate social responsibility: Case study of Peruvian rural families. *Sustainability*, 15(2), 1256. <https://doi.org/10.3390/su15021256>