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## Research Article

### Prediction of The Global Recession's Effects on Indonesia's Economy in 2023

Ernesto O. Cordero\*

Human Sciences, Theology, Philosophy and Canon Law, Universite' Saint Paul/ Ottawa Universite', Canada

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*\*Corresponding author:*

E-mail:

[ecord084@uottawa.ca](mailto:ecord084@uottawa.ca)

#### **ABSTRACT**

The study sought to determine the implementation of CSR activities and their effects on the beneficiaries' quality of life.

This study used mixed-method research, combining quantitative correlational and qualitative analysis. In addition, it utilized statistical tools such as frequency, percentage, mean, weighted mean, and regression analysis.

The research instrument was standardized and adopted from Kim, Uysal, and Sirgy's (2012) study entitled "How does tourism in a community impact the quality of life of community residents?"

The interview used guide questions to direct the responses of the respondents. The study's subject is the 400 beneficiaries of the Southern Mindanao plantation communities.

The findings revealed that the company's economic, social, cultural, and environmental CSR activities were implemented to a moderate extent. On the other hand, the beneficiaries' quality of life regarding life satisfaction under various conditions, level of life satisfaction, and satisfaction level on health and safety were categorized as reasonably satisfied.

The CSR factors, such as economic, social, and cultural, were not statistically significant to claim their influence on the community's quality of life. However, though environmental factors significantly influence the community's quality of life, the extent or magnitude of its influence cannot have a significant effect as its beta coefficient is at 0.65, indicating a weak effect.

Considering the findings and conclusions of the study, the following recommendations were suggested: 1. To offer more information or seminars on the preservation of the natural environment. 2. To conduct regular tree planting in the community to improve the environment and help reduce temperature, produce clean air, reduce greenhouse gasses, and prevent flooding and soil erosion. 3. To teach the community proper waste disposal at

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home through Green Alternatives, the Five R's Reduce, Reuse, Repair, Rot, and Recycle. 4. To determine program services that will change and expand the community/students' needs. 5. To conduct a workshop on CSR's goals and objectives to increase the level of awareness of the beneficiaries on the accurate picture of CSR in their lives, 6. For the companies/administrators to apply the proposed strategic approaches in enhancing the CSR programs to their beneficiaries.

**Keywords:** *Corporate Social Responsibility, Ethics, Business & Economics, Quality of Life/Well-Being, Plantation Farm Operators (PFO), Triple Bottom Line (TBL)*

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## Introduction

The company's Corporate Social Responsibility (CSR) establishes its social, environmental, and economic linkages. The primary purpose of CSR is to contribute in a meaningful way to the needs of society. Even with the most prominent competitors, their shared value in a new reality and collaboration is increasingly prevalent. Likewise, it becomes systemic and significant in all industries and sectors.

The concept of CSR developed and conveyed from a philanthropic idea in the fifties to an image that embraces sustainable development goals in the current time (Nehme, 2020). It is currently a vital part of the business that is getting more popular; thus, establishments are more concerned about integrating social responsibilities into their business practice (Rezwan, Bakhti & Rahman, 2017).

Cervantes (May 2020) reported that in the Philippines, Congress had approved Philippine House Bill 6137 to institutionalize CSR in corporations' operations. In encouraging companies to engage in CSR, the bill seeks to enable all domestic and foreign business organizations established under Philippine laws, to observe corporate social responsibility in the operations of their businesses in the country.

Also, CSR-related activities shall include charitable programs and projects, scientific research, youth and sports development, cultural or educational promotion, services to veterans and senior citizens, social welfare, environmental sustainability, health development, disaster relief and assistance, socialized and low-cost housing, and employee and worker welfare (Cervantes, 2020).

CSR occurs when a business firm consciously and deliberately enhances the social well-being of those affected by the firm's financial operations. CSR may be present in various business and economic contexts, from the smallest and simplest firms to the largest and most complex companies and a broad range of diverse societies worldwide (Wasioleski & Weber, 2018).

According to Abdullah et al. (2019), a business that practices CSR considers the current and future business operations on the environmental impact, the community, and society. Hence, even small and mid-sized companies are searching for ways to embed social good within their companies. As a result, CSR activities uplift the performance of the firms.

The Philippine Southern Mindanao Plantation Farm Operators (PSMPFO) is an established business industry. They have been practicing CSR for a long time to determine their commitment through its effects on their respective communities. The stated information on the farm operators, as indicated in the DTI-Exporters Manual Bureau (May 2017) and founded in 1974, are all for-profit and stock corporations.

CSR efforts in the concept of Shared Value align with underlying corporate objectives to achieve better outcomes for the community and company. A company can then solve societal challenges while gaining a social license to operate and higher profitability. Thus, companies often contribute to community development.

Henceforth, many communities in this province enjoy the shared values given by farm

operators to practice their CSR. In addition, companies typically contribute to various social investment initiatives such as health care, education, economic welfare, infrastructure development, and environmental protection (Parasibu et al.).

### **Objectives of the Study**

- To determine the characteristics of beneficiaries
- To ascertain the extent of implementation of the CSR program of farm operators.
- To establish the quality of life of the beneficiaries
- To define the effects of CSR on the quality of life of the beneficiaries
- To identify the challenges encountered by the implementers and beneficiaries in providing and availing of the program

### **Methods**

The study is a mixed-method type of research.

Mixed methods combine qualitative and quantitative research elements to answer complex questions (Tashakkori & Creswell, 2007).

This research integrates qualitative and quantitative data within a single study (Halcomb & Hickman, 2015).

The study used quantitative correlational in determining the characteristics, quality of life, and implementation effects on the beneficiaries' quality of life.

Activities in the Philippine Southern Mindanao Plantation Farm Operators (PSMPFO) correlate with seeing the beneficiaries' quality of life.

Furthermore, the qualitative analysis identifies the challenges encountered in implementing its CSR activities and validates them by the program's availing.

The study respondents are the 400 beneficiaries of the Philippine Southern Mindanao Plantation Farm Operators (PSMPFO) programs using simple random sampling and 20 informants.

The instrument used in this study is a validated questionnaire used by Kim, Uysal, and Sirgy (2012).

### **Results and Discussion**

The study aimed to determine the extent of the implementation of the CSR activities and their effects on the quality of life of beneficiaries of the Philippine Southern Mindanao Plantation Farm Operators (PSMPFO).

#### **As regards the characteristics of the beneficiaries**

The subjects were 400 banana growers comprised mainly of female respondents, with 86%, with only 12% males. Of their ethnicity, more than half (51%) of the respondents are Mindanaons, followed by the Lumads with 21%, while the Visayans and Luzon ethnic groups comprised the remaining 17% and 10%, respectively. More than half of these respondents have lived in the community for more than eight years. The 25% had been in the village for >8-13years, 19% for >13 years-18 years, and 18% for more than 18 years.

41% of the respondents are high school undergraduates in terms of school completion, and 27% completed their high school. The 14% had only completed their elementary, while the 4% were elementary undergraduates. Only 8% of the respondents went to college but could not complete their tertiary schooling.

*Of the work status*, the respondents with part-time work are equally distributed with those with a full-time job, having both 33%. However, 34% of the respondents did not indicate their work status. Half of the 400 respondents have 4-6 household members, a specific number of Filipino households. The 28% have 1-3 members only, while approximately 22% have a more significant number of 7 or more members.

In terms of *household income*, almost all respondent households earn less than P20,000, which is lower than the average Filipino family income of P22,000 per month.

Half of the homes earn P10,000 or less, while those with incomes >P10,000 P13,000 and >P13,000-PP16,000 approximately comprise 35% (distributed with 17% and 16.5%, respectively). Meanwhile, those with a P16,000 to P19,000 household income consists of approximately 14%, and only about 4% have an income higher than P19,000 or more.

All respondents seem to disagree about their perceptions of the contributions of the income they received from CSR. Approximately 41% of the respondents perceived that CSR's revenue contributed somewhat or a little. On the other hand, about 38% believe that CSR's income contributes a lot or almost all. Twenty-one percent (21%) felt that none of their income came from CSR.

### ***As regards the extent of implementation of the CSR programs***

*In terms of Economic.* The highest mean value is 3.14, which means the extent of implementing CSR's benefits to the community outweighs its costs. It indicates that this item concerning the economic things was felt most by beneficiaries being implemented in their communities, yet to a *moderate extent*. It is because the company owners see CSR engagement as necessary for business, not least for its economic interest. Thus, the community people enjoy the company's benefits in terms of economic good enough to increase the living satisfaction of beneficiaries.

Even though the lowest mean is a 2.87 rating, one of the most important aspects of CSR is that it creates various jobs for the residents in the community. Still, the company was able to develop multiple occupations for its beneficiaries. Therefore, giving jobs to people living in the community can still consider CSR implementation a success and benefit the community even to a moderate extent.

The study's findings are like Kim, Usal, and Sirgy (2013), which viewed economic impact as having a positive economic force. Concerning the positive economic impact of tourism, the evidence suggests that tourism helps improve the standard of living. Regarding the study's result in terms of economics, it stated that the beneficiaries of PSMFPO felt economic things.

*In terms of Social.* The beneficiaries assessed them also to be implemented at a "moderate extent," with a weighted mean of 3.01. The CSR has resulted in unpleasant overcrowding for residents, and increased CSR provides more recreational opportunities for residents. A "moderate extent," "these social factors mainly felt in their communities "moderate

extent," both obtaining a mean of 3.08. The first highest indicator states that CSR's presence gives beneficiaries space for living in the community even if it makes them crowded, which only shows that the community enjoys its benefits; otherwise, they will leave the place.

Furthermore, this increase in CSR provides more recreational opportunities to the beneficiaries simply because the company knows what to offer to people who have a lesser chance of making their lives enjoyable due to limited sources. In contrast, the least felt among the social aspects (6) CSR is a significant reason for the variety of community services with 2.96. Therefore, the company may be giving only the most suitable community services where the beneficiaries will enjoy and improve their quality of life.

Likewise, Kim, Uysal, and Sirgy (2012) found that positive perceptions of tourism's social impact significantly influenced community life satisfaction. However, satisfaction with community life did not considerably influence life satisfaction. Matthew and Sreejesh (2017) also analyzed that regarding sustainability and quality of life, the emphasis should be on implementing effective social programs/schemes, empowering the socially and economically backward community, and residents' engagement in tourism-related activities.

*In terms of Cultural.* Like economic and social factors, the communities evaluated CSR implementation based on cultural benefits to moderate with a mean of 2.92. Of the cultural aspects, the commercial demand of CSR causes changes in the style and forms of traditional arts and crafts got the highest mean of 3.05. It states that the style and arrangements of traditional arts and crafts are changing. It is acceptable that the people in the community are standard, which embraces their cultural skills. Hence, through the commercialization of CSR, their traditional arts are shifted.

In contrast, beneficiaries desire to meet CSR from as many countries as possible to learn about their cultures. It means that the people in the community wanted to preserve their cultures just like in other countries. Also, Kim, Uysal, and Sirgy (2012) found that positive perceptions of the cultural impact had a statistically significant influence on emotional well-

being, such as satisfaction with leisure and cultural life.

*In terms of Environmental.* The communities also described the extent of CSR implementation based on environmental factors as "moderate extent," with a mean of 2.99. The CSR, which produces large quantities of waste products, gained the highest mean of 3.07 interpreted as "moderate extent." Simultaneously, the most negligible factor is that CSR has contributed to preserving the natural environment and protecting the wildlife in the community. The highest indicator states that due to the many activities done by the company's CSR, it turned to have a vast amount of waste products that barely destroyed the environment. Like the minor item, the natural environment and the wildlife community are less protected.

An adverse perception of the environmental impact of adding large quantities of waste products or destroying the landscape's beauty by littering is a significant predictor of satisfaction with health and safety. Nkemngu's (2015) study regarding development negatively impacts littering, waste of water and other resources, and pollution. Thus, environment preservation and enhancements provide sufficient resources to meet community residents' needs.

Assessing CSR's overall implementation in the communities, the beneficiaries evaluated them moderately, with a mean of 2.98. The beneficiaries' economic and social factors of the CSR factors are mostly felt, having obtained a mean of 3.01, though it can still be interpreted as moderately implemented. Meanwhile, the beneficiaries' environmental and cultural factors are the least felt, with a mean of 2.99 and 2.98. However, these means can always be interpreted as enforced to a moderate extent.

CSR is the business's commitment to contribute to sustainable economic development, working with employees, their families, and the local community and society.

Ultimately it improves the quality of life's well-being in ways that are both good for business and good for development (Axelfelt, 2014). It can positively impact corporate performance in the long term (Lankoski, Smith, and Van Wassenhove, 2016).

Economics sees the firm as a private entity operating in a market, tasked with generating goods and services, including wealth generation, and in the process, necessarily consigning social costs to the public at large (Sheehy, 2014). However, as stated in the study of Kim, Usal, and Sirgy (2013), the economy has an impact and has been viewed as a positive economic force, both positively and negatively.

However, the beneficiaries' economic CSR activities result only in a moderate extent of implementation as perceived by the beneficiaries. It means that the stated predictors of the economy are enjoyed only by the beneficiaries on average.

Social responsibility means that individuals and companies must act in their environment's and society's best interests (Ganti, 2020). Nevertheless, in the social aspect of CSR, beneficiaries experienced it only moderately.

The cultural elements make companies believe they must conduct CSR activities such as philanthropic value, goodwill, responsibility, and charity (White & Alkandari, 2019).

Beneficiaries of CSR activities experience the cultural aspect of CSR to a moderate extent of implementation.

Among the four CSR elements, this one got the lowest overall mean of 2.92. Perhaps the beneficiaries living in this community belong to different ethnic groups. Like Mulamin's (2017) findings, he proved in his research that not all companies had implemented CSR programs well in terms of cultural aspects.

Lastly, Melykh and Melykh (2016) found that ecological certification among companies from the economic sector produces industrial goods regarding the environmental part of CSR.

Similarly, the present study established a belief that CSR activities affect just moderately the environment.

### ***As regards the quality of life of the beneficiaries.***

*In terms of the Level of Satisfaction with Various Living Conditions.* The assessments of beneficiaries' quality of life regarding the level of satisfaction with various living conditions found as "satisfactory" with a mean rating of 3.00. That indicates the contentment of these

beneficiaries with the quality of their life in a different aspect.

The beneficiaries' level of satisfaction with various living conditions was rated "satisfactory." However, the influx of CSR from worldwide into their community and (8) the community environment conditions such as air, water, and land, where the beneficiaries are primarily reasonably satisfied having obtained the highest means among the items considered. These items have a mean of 3.11 and 3.10, respectively.

The first indicator states that the invasion of CSR in their place satisfies their lives because they benefited greatly from the company's CSR. Alongside the community's environment, they make their lives comfortable because they enjoy clean air, clean water, and land to stand in their houses, making their lives more satisfying. On the other hand, the beneficiaries' current job income got the lowest mean of 2.81 but is still assessed as "satisfactory," which means that their income is insufficient to support their needs, but they are satisfied.

*In terms of the Level of Life Satisfaction.* The beneficiaries' quality of life was "satisfactory," with a mean value of 3.02. The beneficiaries' satisfaction with the availability of religious services in their community has obtained the highest mean of 3.13 among the items listed on life satisfaction. Getting the least mean among the things under life satisfaction is the beneficiaries' belief that they are particularly happy with how they preserve culture in their community, with a mean of 2.91 that can still be considered "satisfactory" among the beneficiaries.

The first statement signifies that their faith is emphasized, which is most important to them. Though these people have different beliefs, the community gave due respect to each of them, satisfying their lives. In the second statement, the community people gave the least rating on how the community preserves culture, as stated in the previous discussion. Due to the commercialization of CRS, the cultural arts are being changed.

*In terms of the Level of Satisfaction with Health and Safety.* Of their level of satisfaction with their health and safety, the beneficiaries were satisfied, obtaining an overall mean rating of 3.02. The leading source of their satisfaction with their health and safety was their condition, with a mean value of 3.14, interpreted as "satisfactory." On the other hand, they rated least on their health and safety, was social status with the lowest mean value of 2.89 but still interpreted as "satisfactory."

It is valid for everyone; health is wealth and is considered the most important to everyone. A healthy individual has a most satisfying life than those with money but suffering from illness. On the contrary, social status in this community is not that important or not given much satisfactory recognition. The people living here are mostly simple living people. Thus, social status is of no significance to them.

Assessing the overall satisfaction with their quality of life, the beneficiaries are primarily somewhat satisfied, with a mean of 3.01. They are satisfied with their life, health, safety, and living in various conditions. Aivazian (2016) indicated that quality of life could measure personally and community-wide, determining which factors make a list. The beneficiaries of PSMFPO measured their quality of life reasonably and satisfactorily.

#### ***As regards the effects of CSR on the quality of life of the beneficiaries.***

From the indicators of the extent of CSR implementation, the environmental factor showed a significant effect on the beneficiaries' quality of life-based on the significant *t* value of .029, which is significant at a .05 level of significance.

As an inferential statistic, regression analysis relates the *p*-values that determine the observable relationships in the sample in the enormous population. There are no direct or indirect correlations or associations between the independent and the shifts in the dependent variables. Therefore, there is insufficient evidence to conclude that there is an effect at the population level (Frost, Jim; 2018).

**The Data Model**

The Data Model	Standardized Coefficient Beta	t	Sig.	Remarks
Economic	.046	.911	.363	Not Significant
Social	.091	1.814	.070	Not Significant
Cultural	.048	.954	.341	Not Significant
Environmental	.110	2.197	.029	Significant at 0.05 level of significance
R <sup>2</sup> = .025		F = 2.49		Sig F=.043

The data predicts the hypothesis that there is a null relationship/ correlation. Thus, a change in the independent variable is associated with a change within the parameters of the dependent variable. The p-value (probability value) is a quantitative measure to report the result of statistical hypothesis testing. For a given study, it helps in measuring the probability of the observed result (or more extreme), assuming the null hypothesis(H0) is accurate, based on a significance level [typical values used for alpha = (0.05, 0.01, 0.001)]. ( $p < \alpha$ ). It is recommended to set the alpha before starting the test.

The regression results show that the predictor variables are statistically significant because their p-values equal 0.000. On the other hand, social is not statistically significant because its p-value (0.092) is greater than the usual significance level of 0.05.

The t-value is computed for a t-test, and a t-test is a statistical test to measure the difference in means(averages) of one or two population distributions, just like the one done in this study.

The data also revealed that the extent of CSR implementation in terms of economic, social, and cultural showed no significant effect on the beneficiaries' quality of life.

However, when taken jointly, the extent of CSR implementation in terms of economic, social, cultural, and environmental factors showed significant effects on the beneficiaries' quality of life, as shown by the Significant F value of .043. Furthermore, the r-square of 0.025 represents the CSR's total variation to explain its influence on the community's quality of life which refers to the environmental aspect of the CSR activities.

The study's findings support Sila and Creek's (2017) research, which found that environmental performance positively affected economic performance to a lesser extent. Still, the effect size is much smaller than that of social accounts. They further suggest that managers should focus on environmental practices, particularly social ones, to improve economic performance. Such strategic use of CSR could create competitive advantages.

Thus, quality of life can be developed by encouraging employment practices that provide opportunities for socially and economically backward people, supporting enterprises' development by disadvantaged people, and endorsing industry/business partners' compulsory spending (Kim et al., 2013).

***As regards the challenges encountered by the implementers and beneficiaries in providing and availing the program.***

Three well-known personalities, the professors and a research director from Ateneo de Davao University and the University of Mindanao validated the questionnaires. Another two prominent scholars from Manila were consulted, verified, and validated the questionnaires. Likewise, the language translations from L1 to L2 were done by major Ph.D. linguistics in the province. In two sessions, the researcher, the local dialect interpreter, and a recorder run a Focus Group Discussion (FGD) with around twenty (20) banana planters/growers. The set FGD followed the usual routine of handling or running the session, such as the topic of discussion, set of questions, another assigned note-taker, pre-selected (randomized) invitees, and secured consent from the heads in the community.

It was also an opportunity to introduce themselves individually and break the formal session open. *Ang matag napili nga partisipante gipangutana ang ilang mga rason kung unsa ang ilang nakita nga hinungdanon sa pagpadagan sa mga kalihokan sa CSR sa ilang lugar ug gipaambit kung unsa ang ilang masulti o mahibal-an nga mga bentaha / disbentaha sa adunay mga kalihokan sa CSR.* (Each selected participant was asked their reasons for what they see as significant in the conduct of CSR activities in their place and shared what they can say or perceived are the advantages/ disadvantages of having CSR activities). Final transcription and translation were confirmed/done by a Ph.D. A linguistic professor from Philippine Women's College and a native of Davao City after the submitted drafts. Following the best-practice language, the translation process involves transcribing and completing the recorded discussion during the FGD.

After completing the text to be translated, an initial translation was subjected to review the accuracy of the translation. After counter-checking, the integrity from the transcribed and audio files refines the translation wording—adjustments to adapt to the actual meaning of the transcriptions as expressed in the FGD.

The following local narratives in verbatim extrapolated from their responses. The participants' responses varied and overlapped, but most reactions were positive as against negative responses.

Most participants expressed CSR satisfaction as helpful, and they derived benefits- nine (9) respondents.

It also includes satisfaction with services- four (4), being happy five (5), being active-three (3), and having the same or no effect in their lives five (5) or almost 25% of the respondents. The majority, almost in unison, was so attached to the environmental concerns. They always included their take or stand in protecting and preserving their community.

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