The Filipino Business Leader in the Time of the (COVID-19) Pandemic within the Lens of the Catholic Social Teachings

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Abstract: The COVID-19 pandemic is not only a global health problem—its ramifications are complex and extensive. From social routines to religious gatherings, as well as economic conditions, have all been significantly affected. The global economy has entered into a recession and local establishments, especially small and medium enterprises, have not been spared. Most of these businesses have laid-off workers and closed shops and stores. Within this chaos of business restructuring and systemic changes are complications and implications to the meaning of ethical business leadership and the value of work. This paper looks at these shifts and turns taking place in enterprises and workplaces in light of Catholic Social Thought (CST) and explores how these data and narratives from the ground could have contributed to a renewed or reshaped ethical identity of a Filipino business leader in the time of the (COVID-19) pandemic.

Keywords: Christian economics; business leadership; business ethics; Filipino entrepreneurship

1. Introduction

Today’s situation has pitted people in a war against the COVID-19 virus which has already killed more than a million human lives in the world and counting.¹ While roughly 71% of people have recovered and survived the dreaded illness, its impact on the global economy and livelihood of people is unimaginable. The COVID-19 pandemic has challenged the habitus of the so-called homo economicus. Today’s business leaders and employers face overwhelming challenges as they attempt to navigate through the tide of the pandemic’s impact on their corporate structure, finances, and most importantly on their most important resource: workers. Most CEOs have prioritized the creation of a support structure for their employees, their customers, and even their suppliers while looking to address disruptions in supply chains, reductions in revenues, and the emergence of growth pathways and evolving market demands. Doing business particularly related to workers’ performance needs to be assessed differently (Buchanan et al. 2005). While aware of workers’ need to secure their jobs amidst this pandemic, significant consideration too is given to the security of the business establishment itself (Obal and Gao 2020, p. 248).

As for its impact on the Philippine economy, the country has seen a significant contraction, with an 11.5% GDP slide in the third quarter after a 16.9% fall in the second quarter (De Vera 2020d). However, acting NEDA Secretary Chua believes that the worst may be over for the country. By easing lockdown restrictions and gradually opening the economy, many companies have started to cut losses and workers have started to earn income once again.

According to the Ernst & Young (EY) Global Integrity Report last June 2020, which surveyed almost 3000 respondents from 33 countries during the time of the pandemic,
approximately 90% of them believe that the crisis has serious repercussions on the conduct of ethical business. Junior employees embrace a more pessimistic outlook compared to their corporate bosses, as “43% of board members think the pandemic could lead to better business ethics; [and] only 21% of junior employees agree” (Makrygiannis 2020). The uncertainty of what and how this pandemic has implicated the ethos of the business is what this paper hopes to articulate. The crisis has reshaped the way business is performed and while digital commerce and infusion of artificial intelligence (AI) in workplaces have already been practiced even before the pandemic, COVID-19 has hastened its normalization during the tsunamis of lockdowns and community quarantines.

This paper will investigate how the business economy responds to the situationist challenge posed by this crisis and its ethical implications to the behavior and habitus of a Filipino business leader in the time of the pandemic. The new normal brought by the pandemic has redefined the plane of doing business in the country and this novelty is an invitation to also rethink and recalibrate the age-old CST themes that particularly concern the vocation and mission of a (Filipino) business leader. It is hoped that this can provide new insights and perspectives that can enrich existing ideations and ideologies on what it means to be an ethical Filipino business leader. Moreover, this paper acknowledges the culture-specific nuances as it explicitly discriminates the business leader within the context of his/her race, ethnicity, and culture—as a Filipino business leader. In this regard, it is important to articulate the ethos of the Filipino business leader not only within the CST terms but also within his/her ethnocultural cosmology. Thus, this paper attempts to articulate the dynamics of doing business in the Philippines within the sociocultural ideations of suki and kapwa. This paper argues that any CST-based analysis of Filipino business behavior must take into account that it is embedded within a particular sociocultural normative as framed along the theory of (Polanyi [1944] 2001)’s substantivist economics. This paper therefore asks: how can certain CST principles enlighten the ethos of a Filipino business leader during the time of the pandemic as nuanced too within his/her specific sociocultural embeddedness?

Seen and discoursed within two frameworks—from an ecclesial-magisterial perspective (CST) and sociocultural cosmology (suki and kapwa)—this paper argues for the promotion of the anthropological criterion in business establishments. Within the CST discourse is a fundamental principle to value the place of every human being in any field, institution, and workplace. This anthropological criterion covers everybody in any organization—from top-level executives to rank-and-file employees. The pandemic’s negative economic impact on business organizations does not hinder the ethical exercise and observance of this anthropological criterion; in fact, it even reinforces such value. Further, what this Filipino sociocultural cosmology shows is the cultural readiness of any Filipino business leader to uphold this anthropological criterion even in the midst of pandemic. It is hoped that this paper can provide new insights and perspectives that can enrich existing ideations and ideologies on what it means to be an ethical Filipino business leader.

2. The Philippine Situation

In a news article by Inquirer last 18 August 2020, Yee et al. (2020) showed contrasting data on the extent of job loss during the COVID pandemic in the Philippines. The survey conducted by the Social Weather Station (SWS) last July 2020 showed approximately 27.3 million Filipinos without a job during the pandemic but the Department of Labor and Employment (DOLE) claimed that only approximately 100,000 workers were laid off due to the pandemic with, one-third of whom losing their jobs in June alone. Regardless of which is accurate, a large number of Filipino workers in the country have lost their jobs. Internationally, thousands of Overseas Filipino Workers (OFWs) have also been sent back home as they were retrenched in their host countries’ workplaces, either temporarily or permanently. This has incurred the country a huge loss in inbound remittances. If not mitigated and properly addressed, this scale of job unemployment will have serious socioeconomic implications that may reinforce further social inequality across socioeconomic
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classes, with the most vulnerable sectors in society most affected. The spread of the virus has impacted industries. It is evident that COVID-19 has been affecting several small businesses and even large companies in the Philippines (De Vera 2020b).

A published report by the Asian Development Bank (ADB) last July 2020, which was based on a survey of Philippine businesses conducted last March–April 2020, the height of intense lockdown measures by the government, reveals that “even with less-restrictive quarantine measures in place, businesses foresee some difficulty restarting their operations” (Asian Development Bank 2020). Many enterprises are running low on cash, further limiting their capacity to pay the salaries and wages of their workers. After the Enhanced Community Quarantine (ECQ), which was the strictest lockdown protocol observed in the country, approximately 66% of the businesses temporarily closed, 29% reduced their operations, and only 4% of them sustained full operation. The ADB found that 65.9% of the businesses that were surveyed had temporarily closed their establishments when ECQ came into effect.

For many of these businesses, “liquidity was a serious concern... as working capital became scarce” (Asian Development Bank 2020, p. vii). Particularly for those categorized as micro and small businesses, they have difficulty paying their workers, hence the need for wage subsidies (De Vera 2020a). The economic team of the Duterte administration has been pushing for a P173-billion stimulus package that would contain “capital and spending support for businesses and consumers by providing liquidity to banks and companies” (De Vera 2020c).

As of 2019, 99.5% of all businesses in the country are made up of micro, small, and medium enterprises (MSMEs) (Department of Trade and Industry 2018). The bulk of affected individuals is found in this economic sector. Masked by figures and numbers when reported on economic platforms, Macaraeg (2020) feature article endeavors to tell narratives from the ground to understand the severity of this pandemic’s impact on human lives and livelihood.

Macaraeg (2020) tells the story of a 50-year-old entrepreneur named Joseph. For two years, he relied on earnings from managing his small computer shop. On average, his shop would earn P4000 (US $82) a day, which is way above the minimum daily wage of approximately P600 (US $12) in Metro Manila. However, the pandemic has forced him to close down his shop but his main worry is not the loss of income or earning. Joseph was more concerned about the plight of his only two employees. With the shop closed, their jobs had to stop too. Despite the financial burden, he has not formally laid off his workers. While there is lockdown and the shop is closed, he allowed his two workers to receive their salary in advance and expects them to return to work once lockdown is lifted. To make ends meet, he has exhausted his emergency funds, which he had been saving for years.

Macaraeg (2020) also recounts the situation of a certain Ben Pasco who owns a halo-halo (Filipino shaved ice sundae) store in San Pablo, Laguna, called Ben’s Halo-Halo. In the peak season, Pasco’s earnings are huge, as he can sell over 500 glasses of halo-halo daily, with a glass costing P90 (US $1.85) each. Pasco’s business is larger and has more employees than Joseph’s but is still categorized as a small enterprise. Pasco admitted that with the closure, he will struggle to find a way to pay for his loans and rental fees. Despite significant profit losses, he still looked after his employees by giving each of them some kind of food package that contained 10 kilos of rice each, canned goods, and packed noodles. He used his emergency funds to spend on these food packages. He also sought P5000 (US$103) financial aid from DOLE for all his employees.

Dancel (2020) shares the story of how Jason Bonzon managed his towing business in the context of the pandemic. Despite his low income, Bonzon’s towing business still needs to add cost just to provide protective gear for his workers from the virus. Masks alone are expensive, amounting to Php 1100 (US $23) pesos per box of 50 pieces. There is also a need to test his employees for the virus every two weeks. With a test kit that costs Php 1000 to 4000 (US $21–82), Bonzon cannot afford to perform testing and can only provide washable cloth masks and face shields for his workers. Where business expenses increase
and revenues decrease, Bonzon has no choice but to reduce his capital and deduct from his savings just to comply with the government-mandated health safety protocol for his business to obtain permits to operate.

Balea (2020) narrates the story of Jefferson Catimbang, a business owner of a wellness center called Tribu Babaylan that has an 800 square meter space, 80 employees, a 40-bed spa salon, a café, and a buffet restaurant for 250 people. With the business closed due to quarantine restrictions, the loss has been estimated at Php 6.4 million (approximately US $132,000) in just one month of closure. Despite limitations to his business, Catimbang resisted the idea of handing pink slips and is determined to sustain salary payments. He looked for firms that were still operational and found that Unilab, a large pharmaceutical company, has been initiating the distribution of meals for medical frontliners. He offered his service and, on the first day of the enhanced quarantine, Catimbang kicked off deliveries for Unilab recipients to large Manila hospitals. Orders grew from 10 meals to 300 by the end of the day to 500 the next day. While the delivery service accounts for only a small share of the overall business, Catimbang hopes that he can sustain the salaries of his employees.

Balea (2020) also recalls the story of RJ Ledesma, owner of Mercato Centrale, which runs food markets where there are open tents with third-party food stalls. With three locations around Metro Manila, Mercato also functions as a training ground for micro and small food vendors in operations, finance, and marketing, so that they can professionalize their business. With the on-going pandemic, there is difficulty in paying rentals as there is no income at all. To survive, Ledesma launched an online ordering service on Facebook, a cloud kitchen that provides space for different food vendors to cook meals, along with delivery services. Ledesma is just one of many entrepreneurs of SMEs who created an online platform for their business to continue business operations.

3. Business, Work and Catholic Social Teachings (CST) of the Church

From the CST perspective, economic justice is an important theme. Despite the devastation of the economy as a result of the COVID-19 pandemic, “the economy must serve people, not the other way around” (United States Conference of Catholic Bishops 2005). Stipulated therein is the fact that workers essentially have the right not only to meaningful work but to fair and decent wages as well. However, workers’ rights, while embedded and enshrined in many modern nation-states, are not absolute. CST is clear on this as it opposes any collectivist and statist economic approaches since it rejects any unconditional endorsement of laissez-faire capitalism. Distributive justice is never a principle embraced by free-market forces as it needs strong state regulation and intervention to ensure that peoples’ needs are satisfied by the economic system (Catholic Charities of St. Paul and Minneapolis 2020).

In this section, it is necessary to uncover this “middle-ground” approach of CST when endorsing or supporting a particular economic system. For the Second Vatican Council (Vatican II) and its postconciliar reception, there is no definitive endorsement of any economic framework but there have been clear policies to guide the process of discerning the most ethical one (Macaraan 2021). These policies are enshrined in the Church’s social magisterium, which is collectively referred to as CST, which all began with Pope Leo XIII’s 1891 Rerum Novarum. Whether it is summarized into six, seven, or eight principles does not at all matter since the underlying foundation of this document is its “anthropological” criterion—that every person is and must never be measured and identified solely and primarily by race, color, status, and condition but by the same human dignity that everybody inherently enjoins and possesses in equal and non-differentiated quality.

The foundational principle of the Church’s social magisterium is the inherent dignity of the person. John Paul II (1991) reiterates that “the guiding principle . . . of all of the Church’s social doctrine is a correct view of the human person and his unique value . . . conferring upon him an incomparable dignity” (CA 11). It is defined as “each person having a transcendent value that lives in his or her essence” (Mea and Wall 2016). To be human is to be accorded that respect for one’s dignity. Each person is an end in himself/herself—not
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a means to an end. Each person has this inherent value and must be treated with respect and integrity. Further, each person is unique. Thus, highly effective business leaders should perform business in a manner that gives primacy to the dignity of each individual within the workplace. To be a leader is to be a servant by focusing on the welfare of the people in their organization and providing a conducive environment for them not only to be productive and creative but also to utilize their giftedness in service of the larger whole. The CST tradition contains a rich account of principles and provisions to guide the ethos of people in businesses and workplaces. CST offers a useful approach to realize and understand the weight of business leaders’ decisions and actions on their employees, the business and other stakeholders, and different communities in society.

For purposes of coherence and brevity, this paper only delves into some CST principles that are deemed significantly relevant and strongly applicable to the plight and concern of businesses and workers, particularly in light of the pandemic. John Paul II speaks of the threefold cornerstone of the Church’s social doctrines—human dignity, solidarity, and subsidiarity (Ecclesia in America 55). In an address to the participants in the 14th session of the Pontifical Academy of Sciences, Benedict XVI (2008) further added the supplementary value of the principle of the common good to the aforementioned three principles. Based on these papal pronouncements, this paper seeks to articulate the value and meaning of work in light of these four CST principles: human dignity, solidarity, subsidiarity, and the common good.

3.1. Work and Human Dignity

Work plays an important role in making humanity more humane. It is through work that a person expresses his/her ingenuity, talent, and giftedness. It is an extension of one’s intellect and freedom—the core components that constitute human dignity. As early as Leo XIII’s Rerum Novarum, the State is bound to recognize this inherent dignity of any person and protect these natural rights and not destroy them. It is important to recognize that CST all started because of the deep concern of the Church regarding the plight of workers. “The condition of the workers is the question of the hour” (RN 60). Interestingly, more than one century has passed, and the same question lingers. While the dignity of work has immensely improved if contrasted with the degrading conditions of the Industrial Revolution, in global and structural levels, there are still narratives of deplorable working conditions experienced by a lot of workers in various fields. If work is to be thought of as a necessary evil for the acquisition of power and wealth, then this limited, and even mistaken, ideation can place work above the workers and therefore objectify them, which may lead to exploitation and abuse. There is dignity in work in so much as it is an expression and extension of the person and his/her way of participating in God’s creative activity. In the introductory paragraph of Laborem Exercens, John Paul II (1981) speaks of work as an inherent capacity of a person, marking his/her interior characteristics and constituting his nature.

At the time of this pandemic, it is truly a challenge to be humane and to be genuine in the welfare of employees when the business itself is losing so much profit. Nevertheless, economic struggles did not stop Jason Bonzon from managing his towing business. Even with the limited income, more than the basic salary given to his employees, he provides protective gear against the virus. He believes that the safety and welfare of his employees are his priority. After all, it is the right of every worker to not just earn but to work in a safe and secure environment.

3.2. Work and Solidarity

John Paul II (1987)’s defines solidarity as that firm and persevering determination to commit oneself to the common good; that is . . . to the good of all and each individual because we are all really responsible for all” (SRS 38). Paramount in any social organization is the desire to take care of each one. More than the desire for profit is the duty to be responsible for others. It is a solid conviction to commit for the good of others. In the
context of any business structure, the greatest resource is and must always be human labor/capital. It is the task of each business to place the well-being of all the workers above any desire for wealth accumulation and profit.

In the course of CST tradition, solidarity has been described through many terms. Leo XIII speaks of it as “friendship”; Pius XI refers to it as “social charity”; and Paul VI expands it to cover any aspect of society as a “civilization of love” (CA 10). Benedict XVI (2005) uses powerful imagery in one’s praxis of solidarity. He speaks of solidarity as “seeing with the eyes of Christ.” “Only my readiness to encounter my neighbour [sic] and to show him love makes me sensitive to God as well . . . ” (DCE 18).

Solidarity is also one of the core themes discussed in the Second Plenary Council of the Philippines (PCP II). Solidarity means that the people are one community of disciples whether they are rich or poor. The Church of the Poor is a community that caters to the needs of the people today. “When the Church in the Philippines becomes truly this Church of the Poor, the poor will feel at home in her, and will participate actively, as equal to others, in her life and mission. The Church will then truly become a communion, a sign and instrument, for the unity of the whole Filipino nation” (PCP 136). PCP II points out that the problems of modern society are too complicated and interdependent—they have to be approached through the moral and social virtue of solidarity.

Ben Pasco, the owner of Ben’s Halo-Halo, exemplifies the value of taking care of one’s employees in these challenging times. Despite significant profit losses, he still looked after his employees and used his emergency funds to help them by giving food packages and by providing financial aid. He looked after his people first rather than profit.

3.3. Work and Subsidiarity

As businesses are considered communities of persons (Solomon 1992), it is important to create a culture that empowers the members of the community to contribute and collaborate even at the level of making decisions. This bodes well with the concept of subsidiarity, which, for John Paul II, is the principle that “safeguards the internal life of a community of a lower order by not depriving it of its functions . . . ” (CA 48). As the principle of subsidiarity promotes human freedom, it is best expressed when employees have the power to make decisions (Mele 2004, p. 3). By giving value to individuals and employees within an organization, they no longer see themselves as unimportant parts of the organizational structure. Mele (2004) further notes that beyond the mere act of assigning power to the employees, reinforcement of subsidiarity is an ethical principle that is oriented towards fostering human flourishing.

In 2012, the (Pontifical Council for Justice and Peace (PJCP) [2012] 2018) published a document entitled, Vocation of a Business Leader: A Reflection (hereafter referred to as the Vocation), which has been revised in 2018 with the most recent edition inserting recent papal magisterial promulgations of Pope Francis. For Turkson (2014), it is the first Vatican document to connect the principle of subsidiarity to business management. The document lists several practical applications of the principle to businesses, including empowerment of employees through increased opportunities for creativity and authority, increased confidence through greater access to resources and training, and acceptance of their right to form and participate in unions among others.

Just like RJ Ledesma, who owns Mercato Centrale, he gave opportunities to small businesses, from having open tents for food markets to creating an online market for their businesses to continue to operate. Moreover, Ledesma gave his partners a choice whether to continue in food markets or online platforms where it can be safe for everyone and become creative in these trying times. Thus, Ledesma sees the importance of empowering business partners in a collaborative effort towards helping each other sustain their local businesses.

3.4. Work and the Common Good

Common good means everyone will benefit. There are times that sacrifices are made at the expense of someone including oneself. Each member of the community strives to
perform their part and share their resources and capabilities to improve in that community. As members of the community, businesses should collaborate in creating the common good in society and sharing its benefits (Sison and Fontrodona 2012).

Benedict XVI (2009) challenges the business world to look for “a profoundly new way of understanding business enterprise” (CV 40). What he means is his reiteration to revisit the definition and goals of the economy. He believes that the economic crisis in 2007 is “an opportunity for discernment, in which to shape a new vision for the future” (CV 21). While the purpose of business to a homo economicus is to maximize profit, Benedict XVI (2009) strongly criticizes such ideation and firmly believes that the fundamental nature of business is to serve “as a means towards an end that provides a sense both of how to produce it and how to make good use of it” (CV 21). For Benedict XVI (2009), he does not reject profit as part of any company’s objective but it is not an end itself (CV 38); it is only “a means for achieving the goal of a more humane market and society” (CV 47).

A good example of a business leader is Jefferson Catimbang of Tribu Babaylan who employs eighty people. Due to quarantine restrictions, lost revenue was estimated at Php 6.4 million (approximately US $132,000). However, this did not hinder Catimbang from continuing to support his employees. He was very innovative in continuing their livelihood through partnering with large pharmaceutical companies in delivering food to hospitals. At the same time, he gives back to medical frontliners by providing food. In this situation, Catimbang embodies the value of the common good, where he does not only think of himself but the welfare of everyone including his employees and the medical frontliners.

Within the cosmology of CST, business leaders are believed to be stewards for the common good and not merely shareholders of corporate earnings. Their essential role extends beyond the corners of corporate walls, to progress and build enabling and empowering communities. Thus, work opportunities that are fair and appropriate are well distributed to all members. Businesses should have sensible and economical investments that are competitive and viable to the market, respecting the human dignity of each individual by understanding how their jobs are performed and how they can be part of decision making. Taking a large-scale perspective, business leaders ensure that operations at work and business decisions reflect the common good of society by considering how they will affect the larger community (Kennedy 2002).

4. The Suki Complex and the Kapwa Mentality: Contextualizing the Filipino Market Scene within Its Sociocultural Context

In Vocation, the Christian vocation of the business leader anchored on a renewed sense of mission to contribute to the building up of the Kingdom of God and a commitment towards integrating faith and work is acknowledged. With this, business leaders would be able to affirm that their work is an essential component of their Christian vocation. The PJCP reflects their “wish to speak specifically to Christian business leaders, who have at the heart of their work the deep sense of God’s calling to be collaborators in creation” (Theology of Work Project 2020).

Business leaders have a responsibility to respect both human dignity and the common good as foundational to their vocation as Christian business leaders. The document stipulates six principles that may be used as a guide to both entrepreneurs and managers. Without any primacy placed on profit as the end, these principles provide a multidimensional perspective on business goals and objectives aimed at achieving a sense of balance among three broad objectives and six principles. Kennedy (2012) enumerates them as (1) offering needed goods and services to customers, (2) organizing good and productive work for employees, and (3) creating wealth and distributing it justly. From these three objectives are six principles or strategies. They are (1) businesses must produce truly good goods and services that truly serve; (2) business leaders ought to maintain solidarity with the poor by being alert for opportunities to serve otherwise neglected populations and people in need; (3) leaders must foster the special dignity of human work; (4) leaders ought to embrace the idea of subsidiarity and provide opportunities for employees to exercise
appropriate authority as they participate in the work of the organization; (5) leaders must be good stewards of the resources—whether capital, human or natural—which are at their disposal; and (6) leaders must justly allocate all of the benefits and burdens associated with their operations among all of the relevant stakeholders, including customers, employees, investors, creditors, suppliers, and the community.

As seen in CST, business leaders have the responsibility to respond to the needs of their stakeholders, particularly to their employees, in the time of this pandemic, where basic respect for human dignity and related principles are essential. These principles serve as a guide on how entrepreneurs, executives, and managers lead, manage, and be stewards of their businesses. The situation of death and suffering brought about by the COVID-19 pandemic has highlighted the ethical responses carried out by business leaders in the country. Particularly evident from small to medium enterprises, their stories have shown not only resiliency but attributes of an ethical business leader as gleaned from the CST perspective.

Under the principle of human dignity, business leaders are expected to look after the working conditions and needs of their workers. In the case of Joseph and Ben, they showed concern and compassion for the plight of their workers—despite significant profit losses, they still provided their workers with advanced salaries and basic goods. This showed how they look at their workers not as objects of simply moving parts in the entire work chain of the business but primarily as people who are their partners, collaborators, and even friends in achieving the overall goal of their businesses.

Under the principle of subsidiarity, business leaders have to look at providing opportunities for their workers. Ben’s proactivity in preparing all the necessary documents and papers so that his workers can access financial assistance from the government is a testament to how he has always been sensitive and concerned about the plight and future situation of his workers.

Under the principle of common good, business leaders contributing to the community even though it may be at their own expense is indeed an expectation that is hardly realizable especially in the situation of a pandemic. By looking after the needs of their workers, Joseph and Ben were not only helping the workers themselves—this small-scale proactivity will also indirectly contribute towards helping workers’ families and immediate communities. Further, they acted at their own expense.

At the time of the pandemic, business leaders must care for people in crisis and set the stage for business recovery. Through CST, business leaders are identified and characterized through their actions concerning their business, business partners, and employees.

There is a general understanding among scholars that the Western conception of self is characterized more by personal individuation and autonomy as opposed to the Asian characterization of self as defined more by interdependence and fluid boundaries (Macaraan 2019). When referencing other person/s, the Filipinos use the Tagalog word kapwa, which has a more inclusive meaning, referring to other/s as a shared self. “By default, the dispositional intention of kapwa is to connect, relate, and share” (Macaraan 2019, p. 7).

Within the Philippine market scene, this kapwa mentality is expressed more specifically in the suki complex. Davis (1973) anthropological study on this market phenomenon among the people of Southern Cordillera in the Philippines explores how economic exchanges are determined more by interpersonal relations and motivated to a certain extent by non-economic satisfactions such as friendship, group identification, sense of belongingness, affiliation, and association. This echoes (Polanyi [1944] 2001)’s substantivist claim on economics, where “[i]nstead of economy being embedded in social relations, social relations are embedded in the economic system” (p. 77). This suki complex is generally observed among many neighborhood marketplaces that exhibit a prosocial disposition between the buyer and seller. Suki is a Filipino word that describes the special business relationship between the buyer and seller that is based on loyalty and trust. The trusted vendor is normally expected to give his loyal customer some favors including a reduction in price, priority of access to top-grade items and produce, and even credit. They become
each other’s *suki* and will call each other *suki*. Further, with constant interaction and regular transactions, their bond and friendship will extend beyond the marketplace into mutual invitations to one another’s home and family gatherings and celebrations. While having loyal customers may guarantee the consumption of items for sale that translate to profit, what has been achieved beyond market transaction is a lifelong friend and a trusted confidant. Eventually, there is more value placed on friendship than profit. What this shows too is that not everything about economics is defined or determined by the formalism of mainstream neoclassicism as there is such a thing as a culturalist perspective on economics.

On one hand, it seems that there is a dualistic narrative of economic thinking and system—either formalist or substantivist. Granovetter (1985), however, rejects such polarized identification of human economic behavior because he believes that within his idea of embeddedness, even “rational” economic exchanges are influenced by pre-existing social ties. Within the Filipino concept of *suki*, it is clear that the market actors (buyer and seller) do not behave outside any social context because their attempts towards purposive action are always embedded in a concrete and ongoing system of social relations. Within the *suki* complex, economic exchanges are not carried out between strangers but by individuals involved in long-term continuing relations. Culture is a powerful paradigmatic component in any study of economic anthropology. Within this culturalist perspective on economics, it reveals what lies beneath any economic behavior—constructed and developed cultural sedimentations and foundations. Non-market entities such as religion, politics, and kinship play a role in economic exchanges and practices.

However, one must note that since economic exchanges are affected by sociocultural dynamics, the likelihood of negative effects is expected. Granovetter (1985) believes that any embedded social network (*suki* for instance) does not guarantee any deterrence to malfeasance. *Suki* is founded on the principle of reciprocity. The seller commits to providing his loyal customer the best value for the latter’s money as the seller also expects his customer to refrain from buying from somebody else, particularly from his rivals. In certain instances, the seller even accepts late payments by his customer and even gives credit on some occasions as his sympathetic gesture of showing concern to his *suki*’s financial difficulty. Further, their deep and long-standing social relationship beyond the marketplace is enough to compensate for momentary loss or reductions in profit. However, echoing Granovetter’s point, it can be an avenue for malfeasance. The seller can only be generous and understanding to a certain extent that he/she can tolerate non-payment of credit for when customers are not able to pay within an agreed period, not only does the market relationship stop, their friendship is also affected. Further, since their deep interpersonal connection is anchored on trust that is eventually broken and dishonored by any or both of them, the pain is worse for either or both of them as well. Some have resorted to legal battles; others have verbally assaulted one another even publicly, and some have even resulted in unfortunate physical injuries inflicted upon another.

Despite the problematization posed by Granovetter, it cannot categorically deny the likelihood of the performance of prosocial behavior and *ethos* within the market culture, especially if governed and sustained by the *suki* complex. When one looks at his/her *suki* beyond the formality of highly rational market dynamics, what he/she sees is their friendship, his/her *kapwa’s* life stories, and shared experiences. It remains highly plausible to speak of a compassionate business owner and employee relative to the conditions that can nurture such disposition and sustain it to a certain extent that it remains genuinely (inter)personal and a real encounter of persons.

So the question to ask or the criterion to seek if and when a given context can empower an ethos of a compassionate and benevolent business leader is whether the culture that is created and developed within the corporate or business structure would allow the participants (both business leaders and employees) to meet in person, exchange tender feelings and real conversations, and establish trust and friendship in the process through constant engagement and dialogue. The aim is to nurture an encounter that does not see
the other as an instrument to one’s ends but a fellow person, the other-self, the self-in-other, or in Filipino psychology, a kapwa.

5. Conclusions

The coronavirus (COVID-19) pandemic has led to a lot of changes and disruptions in nearly every aspect of daily life. From small businesses to large enterprises, all industries are affected and are struggling to survive the pandemic. With mandates and guidelines changing all the time, it is easy to feel overwhelmed by one’s anxieties. Business leaders have greater responsibilities to fulfill as they are not only accountable for themselves and their own family but also the people who rely on and are dependent on them. It is important to practice compassion during this time, not only for others but for oneself as well. Through compassion or malasakit, every Filipino is at the service of the poorest of the poor within his or her community during and after the COVID-19 pandemic.

Within the CST tradition, business leaders are not merely rational profit-centered individuals but are stewards towards the common good. The principles of human dignity, solidarity, the common good, and subsidiarity are vital today because they serve as guiding principles on how entrepreneurs, executives, and managers lead, manage, and be stewards of their businesses. Filipino business leaders reflect the teachings of the Catholic Church. They continue to operate their businesses to serve the country and to provide the best way they can to support their employees. Despite the losses and poor performance of their businesses compared to last year’s profit, they respond to the needs of the time.

The Filipino business leader must be reminded of how powerful sociocultural embeddedness is in establishing a more ethical behavior in business dynamics, particularly with the challenges posed by the pandemic. As most business establishments, particularly MSMEs, can barely survive and thrive due to significant loss of profit, CST challenges them to be more ethical than ever—that despite the loss of significant profit, the most important resource they have is their people (employees, workers, and customers) and it helps to think that these Filipino business leaders have something from their rich sociocultural world to respond more positively to CST challenges. By seeing others as their kapwa and suki, they will be able to transcend the strictly rational approach to market behavior and respect the dignity of the person/s in front of them. The CST challenge to business leaders is to define their marketplace as a real encounter of persons that avoids reducing individuals to mere numbers in large digital boards (as in stock exchange markets) or corporate account sheets but appreciates their personhood (respect for human dignity), shares their suffering and difficulties (solidarity), empowers them to be more proactive and participative (subsidiarity), and is concerned with their total well-being (common good).

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