



The Pistorio Foundation bringing smiles to the faces of children.

BREAKING THE POVERTY TRAP

BY FAITH KHONG

The Pistorio Foundation is all about creating a balanced world by helping underprivileged children, one step at a time.

Image Courtesy of Carolyn Strover



The official inauguration of Ban Mhai Pattana School and Boarding.

Image Courtesy of Andrea Pistolesi

Talk about corporate social responsibility (CSR) surfaced in the 1970s and sparked off debates and differing opinions from both organisations and individuals. Some thought CSR was a necessity, while others were convinced that it was a waste of both precious time and money. Founder and president, Pasquale Pistorio, belongs to the former camp. This is a view that he shares with his children, Carmelo, Elena and Vittorio, who help run the Pistorio Foundation.

“A great corporation must create wealth for everybody, otherwise, it is not a good corporation,” said Pasquale who was one of the first two foreigners to enjoy the rare distinction of being conferred Honorary Singapore Citizenship in 2003.

His daughter, Elena, who is a board member and the director of operations at the foundation chimed in, “An organisation operates because of a community. Hence, CSR is a moral responsibility towards that community, and not to deplete its resources or damage the environment.”

Pasquale championed the concept of social responsibility since the 1970s

when he was at Motorola in the United States, and later with more determination from 1980 when he became founding CEO of the multinational semiconductor company, ST Microelectronics, headquartered in Geneva, and had up to 8,000 employees in Singapore. While proving that there was no conflict between CSR initiatives and stakeholders’ and shareholders’ value, Pasquale was convinced that ethical values and CSR could attract, retain and motivate company employees, on which a company’s short- and long-term successes depend on. Likewise Pasquale was a pioneer and champion of environmental responsibility, establishing an environmental Decalogue across the company worldwide as early as 1993, setting not only qualitative but also quantitative targets for the company’s environmental protection policies ranging from energy reduction and efficiency, to water and waste recycling in all production process and all aspects of operations. By the year 2000, these programmes allowed the company to save US\$100-million a year in energy, proving that going green was profitable.

Giving Back To Society

The similar beliefs that the father-daughter duo share have helped shape the Pistorio Foundation’s values and mission. When asked how his belief in the necessity of social responsibility came about, Pasquale said that besides witnessing the imbalances in society, he also has his children to thank for influencing and challenging him throughout the years.

As teenagers, Pasquale’s children would constantly remind him of the moral obligations of corporations. He used to have intense discussions with his children, especially his son, Carmelo, who is also involved in the foundation as a member of the board. Carmelo would force him to think about what he was doing for the community, and what he was giving back to society.

These conversations with his children made him realise that the younger generation was becoming more receptive and supportive of the idea of CSR and that companies would have to increasingly become socially responsible if they were to looking to attract, motivate and retain younger employees.



A school in Chiang Rai, donated by Pistorio Foundation.

Besides the need to make corporations more profitable and competitive, Pasquale also believes that a company that gives back to the community will be able to offer in the longer run a more conducive environment for business, and deploy resources more effectively and in a more environmental friendly manner.

In 2001, Pasquale started the ST Foundation, which he is now the honorary chairman. What it does is to try and bridge the gap caused by the digital divide by using technology to promote human progress and sustainable development of less privileged communities around the globe.

The foundation is managed independently from ST Microelectronics, and its IT Literacy Programme has since educated over 100,000 people to date and set up over 100 computer labs in underprivileged communities around the world.

Armed with the experience and confidence from the ST Foundation, Pasquale, upon his retirement from the company in 2005, decided to start the Pistorio Foundation, to readdress some of the inequality that he has witnessed and encountered in the world.

Alarming Statistics

“There are nearly three billion people living on less than US\$2 per day; more than a third of these survive on less than US\$1 per day. Every year, 30 million people die from preventable diseases, malnutrition or starvation. Of these, six million are children,” Pasquale expounded.

Despite global modernisation, global issues like slavery, persecution and even genocidal tendencies have yet to be eradicated, reasserting mankind’s duty to minimise these occurrences in order to alleviate human suffering.

“Sometimes, I ask myself if I am guilty of causing such suffering in the world. Of course we are not, but we do not do enough to eliminate it. That is what we are responsible for. The world cannot go on with these imbalances,” quipped Pasquale.

He continued, “When there is an accident in which 100 people die, you hear about it in the newspaper for days or even months. Yet, there are 30 million people dying a year from preventable causes, and nobody speaks out about it. Unacceptable! We feel too comfortable in our wealth, so we have to do something.”

Three Major Challenges

Humanity is faced with three major challenges today, according to Pasquale. The first stems from the excessive inequality in the distribution of wealth, not just globally but also in disparate societies. The difference in wealth between the rich and the poor is growing every year. While the rich are tweaking the laws to their favour, the poor are often left to fend for themselves.

The next major challenge that Pasquale has identified is the explosion in the world’s population. From 2.5 billion people in the 1950s to 7.2 billion now, the world’s population has tripled in just 70 years. The consumption of food, water, shelter, transport, and oil, amongst many other things has increased, and the depletion of resources is inevitable. “We are not going to leave a good world to our children,” Pasquale lamented.

Finally, the huge advances in economic development have also led to a lack of stewardship, which has become evident in the higher levels of pollution and increasing signs of the consequences of global warming.

Pasquale’s view is that all the three challenges will have to be met by education that leads to awareness so that

change can be brought about and people can break out of the poverty circle.

Education, Nutrition, Healthcare

Pasquale personally contributed US\$5 million to kick-start the Pistorio Foundation as his way of giving back to society by focusing on education, nutrition, and healthcare. To Pasquale, these are the basic necessities that should be made available to everyone.

“If we can educate poor children in the poorest of countries in the world, we are making a real contribution. Our motto is very simple: On the way to school, on the way to life. School is the most powerful tool to eliminate poverty,” Pasquale explained.

But education is not the only thing that is provided in schools. “The barriers of education are not clear-cut. They vary from country to country, from community to community. So a holistic approach is needed to solve this,” Elena said.

This is why the foundation also provides nutritious meals and medical check-ups to monitor the children’s health and improve their well-being in order to enhance their success in school and hence chances of breaking out of the poverty cycle.

Low Costs

Pasquale also believes in running the organisation on zero or low overhead costs. The foundation volunteer-based so that funds raised will only go to helping the children. As per its bylaws, should the foundation need to build capacity to sustain growth, overheads are capped to less than 10% of budgeted expenses. To date, every dollar donated has been a dollar invested in scholarship and infrastructure programmes directly benefitting the children in need.

The Pistorio Foundation also makes sure that it does not affiliate itself with any religious or political associations, and instead works closely with local authorities to ensure that the school and its programmes are recognised and supported from the ground up.

It does, however, place a 10-year limit on the support it provides to villagers and communities. The rationale behind this is so that these communities will make greater efforts to become self-sustaining, though the foundation will continue to monitor the progress from time to time. One of the successes was in the first village that the foundation rendered its assistance to – Ban Mhai Pattana in Chiang Rai, Thailand. In that

village, nine out of 10 families are now self-supporting.

The Chiang Rai Village Project is Pistorio Foundation’s flagship project, which uses the holistic Village Model Approach to develop the area and educate the people living there. The project has seen some drastic positive results ever since it began work in the area in 2006. Over 1,800 children from 16 villages have since enrolled into the foundation’s scholarship programme. A total of 32 infrastructure projects for educational purposes such as primary schools, kindergartens, dormitories, teacher housing buildings, libraries, and computer rooms have been constructed. In addition, three water systems have been put in place to ensure clean, drinkable water.

There have been similar initiatives being undertaken by the foundation in Tibet, Burkina Faso, Cambodia, and Morocco, helping some 2,200 children to date.

Pasquale’s dream is to reach 10,000 children. While he may be far from his goal, for now, he plans to take things one step at a time, to make the world a better, more balanced place to live in. For more information, visit www.pistoriofoundation.org.