

ASIAN APPETITE FOR PHILANTHROPY SPURS NEW METHODS

AS PHILANTHROPY GROWS IN POPULARITY AMONG ASIA'S WEALTHY, THEY ARE TAKING A MORE STRUCTURED AND PROFESSIONAL APPROACH. THIS IS DRIVING INITIATIVES THAT COMBINE INVESTMENT, FINANCING AND PHILANTHROPY, SAYS EMMA HANLEY, HEAD OF PHILANTHROPY AND PARTNERSHIPS AT ACTIONAID INTERNATIONAL IN ASIA.

Philanthropic giving in Asia is on the increase, undoubtedly linked to the region's sustained growth and also its rising wealth.

Singapore, for example, has the highest proportion of millionaires in the world and has seen individual contributions to charity increase every year since 2006. At the same time, there has been a huge increase in the number of private foundations being established in China over the past few years.

Yet in a similar way as to how Asia inevitably still lags the US and Europe in overall charitable giving – 0.3% of GDP in Singapore compared with 2.2% of GDP in the US – structured philanthropy remains a relatively new phenomenon in Asia.

However, things are beginning to change, says Emma Hanley, head of philanthropy and partnerships at ActionAid International in Asia, making it what she calls “an exciting and crucial time for philanthropy in the region”.

NEW APPROACHES TO GIVING

Asian philanthropists, like those in other regions, use various mecha-

nisms and approaches to channel their philanthropy. For example, explains Hanley, they might establish private foundations, combine their resources with others in community foundations – such as the Community Foundation of Singapore or Community Chest of Hong Kong – or give through donor-advised funds.

But the rapid pace of change in Asia is also leading to the emergence of new approaches to philanthropy.

“While the older generation has often approached their giving in a more traditional way, making donations informally and privately, evidence suggests that, with the younger generation of wealthy Asians beginning to get actively involved in philanthropy, this trend may be shifting towards increased personal engagement with giving, an emphasis on impact measurement and an openness to talking publically about philanthropy,” says Hanley.

Younger philanthropists also often want to use their business skills and acumen, in addition to their funds, to address societal issues, she explains.

Perhaps linked to this shift is the emergence of new types of philanthropy,



Emma Hanley

ActionAid International

evidenced in the growth of impact investing, venture philanthropy and other hybrid models combining investment, financing and philanthropy.

“Although the definitions and approaches differ considerably across these concepts, broadly what we are seeing is a growing interest in using

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innovative, blended business models that combine positive social impact with financial returns,” says Hanley, “or at least the creation of self-sustaining socially responsible organisations.”

Research from interviews with family philanthropists in Asia suggests that 36% of families see social entrepreneurship as the most important trend for the future.

Certainly the growing number of impact investing and venture philanthropy focused events, roundtables and organisations in the region point to the significance of this emerging trend.

tegic approach to their philanthropy, with an increased focus on innovation, scale and achieving measurable results. “This is leading to an increase in the professionalisation of the sector,” she explains.

More family foundations are hiring professional staff to run their foundations, an expansion of philanthropy-focused events and research on the sector, and increased government promotion of philanthropy through legislative / policy change.

Further, she adds, there are bodies being created to encourage and nurture

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What remains to be seen, however, is whether this trend will have a cannibalising effect on philanthropic donations to charitable organisations.

“Either it might take funding away from donation-dependent organisations,” says Hanley.

“Or it will free up philanthropists from inefficient burdens and allow them to better focus on where their donations are needed most,” she adds.

MORE STRUCTURED ADVICE

With the rise of philanthropy in Asia has come an increase in the provision of philanthropy advisory services.

This is being driven, says Hanley, as a growing number of families seek to develop a more structured and stra-

philanthropy and volunteerism, such as the National Volunteer and Philanthropy Centre (NVPC) in Singapore.

The evolution of philanthropy in Asia is expected to reinforce the need for this type of structured and strategic advice.

That will happen, says Hanley, as individuals and families develop and refine their understanding of the issues they wish to address, and as their personal circumstances and priorities change.

The growing professionalisation and institutionalisation of philanthropy, globally and in Asia, will also create ever-more opportunities for families. They can, for example, benefit and learn from philanthropy advisory services, connect with other like-minded individuals and organisations, and understand the trends and issues affecting the sector. ■

Being strategic

Be ambitious but patient – the recent BNP Philanthropy Index notes that philanthropists from Asia are the least patient when it comes to seeing results. Results can sometimes be quick, but a genuinely sustainable impact can take time to be realised, often many years.

Be structured and stay true to the mission, but open to learning and evolving the approach – philanthropists need to remain focused on the mission and to identify those with shared goals with whom to partner. But there is often no single solution to a problem, and sometimes projects fail to achieve what they set out to deliver. However, there are almost always lessons to be learned that can help to improve future approaches and strategies.

Engage with others working on the issue – there is a wealth of expertise and experience in the sector, which can be tapped into and shared to promote learning and best practice, avoid duplication, seed new ideas and forge collaborative working relationships. Also, by philanthropists sharing what they are doing with others, they can often increase their reach, expand their impact and encourage others to get involved.

Visit the work if possible – it is not always practical or appropriate to visit a project, especially if it is in a very remote or insecure location. But meeting with staff, partners and community members can provide the best possible way to fully appreciate, engage with and evaluate a project.