

# UBS-INSEAD Study on *Family Philanthropy* in Asia



In partnership with:

**INSEAD**

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# Introductory Remarks

What characterizes Asian  
family philanthropy?





Dear reader,

Almost no other region in the world has changed so fundamentally over the last few decades as Asia. Most prominently, its economic growth has developed from a noted but regional success story to an engine of global economic development, most obvious in the recent financial and economic crisis.

Along with this economic success story came a fundamental change in the daily lives as well as underlying cultures of people in the region. Local communities have become more globalized, habits and customs have changed, and populations have become more urbanized.

But these changes have not been without challenges. Rapid economic development has not always led to sustainable or equitable distribution of wealth. Absolute poverty is still a daily threat to many and overexploitation of natural resources remains a concern.

What has endured all change is the family as the prime building block of Asian societies and, consequently an exceptionally strong sense of responsibility towards enabling future generations' well-being through sharing and engaging for social good.

And so it comes as no surprise that the growing awareness of the topic of philanthropy which we have seen globally is mirrored within Asia. Family philanthropy has had a long and distinguished history among Asia's wealthy.

But what exactly characterizes Asian family philanthropy? How much is it influenced by Asia's rich philanthropic history – some of the region's largest foundations trace their origins back to the early last century? Will it be a carbon copy of Western philanthropy, most prominent above all the highly visible US philanthropy, or will there be the emergence of a distinctly different type of Asian philanthropy? And what will be required to enable the growth of family philanthropy in Asia not just in volume but even more in impact in the future?

UBS has been offering dedicated philanthropic support to its key clients globally for over a decade. In Asia, we have been serving clients for over 40 years. Answering these questions is essential to maintaining our role as a pioneer and thought leader on the topic of philanthropy.

We hope that our findings will further Asia's existing family philanthropy, encourage many families to enter this exciting journey and help the public and civil sector in general and governments in particular to identify supporting measures to grow and develop philanthropy in Asia.

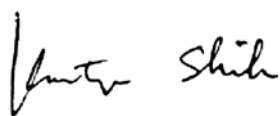
Therefore, UBS is honored to present what can be considered a fundamental contribution to the effort of furthering family philanthropy in Asia, the UBS-INSEAD Study of Family Philanthropy in Asia.

We are proud to have conducted this research in partnership with INSEAD, an academic leader globally and regionally on the topic of philanthropy and social innovation. This collaboration is a practical manifestation of what we consider a key success factor in philanthropy – partnership.

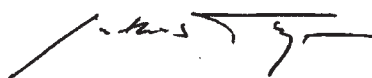
Our sincere gratitude goes also to all those who have contributed to this research and the many Asian philanthropists who have openly shared their philanthropic vision, activities and plans. With over 200 surveys and over a hundred personal interviews, they have made this report the most comprehensive insight into philanthropy among wealthy Asian families to date.

Finally, we hope that the transparency and insights this report provides on the current status of family philanthropy in Asia, as well as the outlook on how to unlock further potential, will contribute to the continued prosperity and sustainability of Asia's development.

Sincerely,



Kathryn Shih  
CEO UBS Wealth Management Asia Pacific



Dr. Mathias Terheggen  
Head of UBS Philanthropy Services

# Acknowledgements



This report would not have been possible without the contribution, time and patience of the many philanthropists, foundation professionals and sector experts we interviewed.

We are very grateful to all the philanthropists, and their families, who agreed to speak to us and also took the time to respond to the survey. Many of these participants are featured in the report and many more have chosen to remain anonymous. In agreeing to discuss openly with us their aspirations and experiences, they have enabled us to better understand what drives and motivates Asian families to engage in philanthropy.

We are also thankful to all the professionals working for family foundations who shared the successes and the challenges they face in their daily work. In explaining their experience of translating a founder's vision into concrete undertakings on the ground, they provided us with many exciting and inspiring insights.

Finally, we are also very grateful to all the experts who provided us with an understanding of the social and institutional contexts within which Asian philanthropists and their families operate. They have enabled us to broach the question of just what constitutes "Asian philanthropy."

Our thanks again to all the individuals who made this report possible.



# Executive Summary

Much is known about the growth in wealth in Asia over the past few decades. Yet the accompanying transformation of Asian philanthropy remains largely undocumented. UBS and INSEAD investigated the changing face of family giving in the region to shed new light on family philanthropy and support its development.



Almost no region in the world has changed so fundamentally over the last few decades as Asia. Despite its newfound wealth, however, the region continues to be beset by serious social and environmental issues. This new climate has contributed to a growing awareness of the role of philanthropy, and family philanthropy, in the region, as well as to growing scrutiny of the subject.

Family philanthropy has a long history in Asia, but what characterizes Asian philanthropy? Does it resemble philanthropy in other parts of the world, or is there a distinct “Asian way” of giving?

Building on over 200 quantitative surveys and over 100 in-depth interviews, the UBS-INSEAD Study on Family Philanthropy in Asia highlights the philanthropic aspirations and challenges of Asian families. It provides one of the most comprehensive insights to date, key outcomes of which are outlined below.

### **A Multitude of Motivations**

The “urge to give” is a universal human trait and families in Asia, like their peers across the globe, have multiple motivations to get involved in philanthropy: the urge to give back to the community, to realize religious or ethical convictions or to better society as a whole. Beyond these self-evident considerations, the number one reason for engaging in philanthropy – cited by 42% of the people and organizations surveyed – was “ensuring the continuity of family values or creating a lasting legacy.”

The family unit plays an important role in driving philanthropy in Asia, and families also reap many benefits from philanthropy, which they often actively seek out:

- It teaches principles like compassion, courage and tolerance.
- It fosters capacities for leadership, innovation and responsibility.
- It supports family cohesion by providing a common activity and goal for the family to pursue as a unit.

The rapid pace of change across Asia has led to the emergence of families with several generations whose experiences and aspirations have been molded by vastly different lives. This is reflected in how different generations engage in philanthropy:

- The older generation feels more responsible to the local community and is more influenced by tradition, while the younger is increasingly geared to national and international causes (while 32% of the older generation gives to the local community, only 20% of the younger does).
- The older generation focuses on sectors such as education, health and poverty, while the younger is more open to sectors such as the arts, civil rights and the environment.
- While the older generation tends to see giving as an end in itself, the younger generation tends to be more interested in measuring the impact of giving.

In spite of these differences the families interviewed explained that philanthropy plays an important role in generating cross-generational cohesion, which is critical to the success of the family, of its philanthropy and even more so of the family business – as these are very often closely linked.

### **The Focus of Giving in Asia**

Looking at where Asian families direct their philanthropy, affiliation plays the most important role. Families give most to their home country (70% of family giving is directed to national-level causes), to the country they emigrated from or to their own ethnic or socio-linguistic communities. However, this is changing, and philanthropists in wealthier Asian countries are increasingly looking to act in less advantaged regions, even where no affiliation exists.

Asians give by far the most to educational causes (36% of giving in 2010), followed by poverty alleviation and development (10%), health (9%) and disaster relief (5%). This emphasis on education is not surprising considering the extremely important role education plays in many Asian cultures. Despite the importance placed on engaging in poverty alleviation and development, government bodies and non-governmental agencies that dominate this sector are not geared to accommodating family philanthropies, thus hampering their impact.

Families across Asia make relatively low levels of contribution to sectors such as the arts and culture (4% of giving in 2010), civil rights (1%) and the environment (4%). Religious conviction and sensibilities are major motivators for Asian philanthropists. However, there is little emphasis on systematic, structured contribution to religious causes – as is seen, for example, in the US.

Social entrepreneurship is an important emerging trend in Asian philanthropy. Of the families interviewed, 36% consider social entrepreneurship the most important trend for the future. If the enthusiasm for running their philanthropies is anything to go by, social entrepreneurship has a bright future among families in Asia.

### **A Family Affair**

Although there are notable exceptions, there is less professionalization of philanthropy in Asia when compared to other parts of the world. That said, the hiring of experts to run family foundations and projects is a growing trend in the region. Many of the new foundations which go this route are also following international best practices from the outset, thus benefitting from the experience of others.

In general, when considering the principal challenges to the development of a much larger and more effective Asian philanthropic sector, there is a strong need for:

- more effective, scalable and transparent implementation partners.
- greater collaboration and pooling of resources.
- more professional management at the philanthropy level.
- more training institutions and sharing of best practices.
- more supportive government regulations and policies.

### **Building Institutions**

Creating a foundation through which to pursue family philanthropy is a recent phenomenon in Asia, even though some were created as far back as the late 19<sup>th</sup> century. Their business is also an important vehicle through which families engage in philanthropy – through a corporate foundation, a company's CSR arm or other diverse means. Furthermore, the family business remains an important source of funds: 22% of the families studied reported company profits as providing funding for their philanthropy.

### **Looking Ahead**

Asia continues to face large-scale social and environmental challenges. With governments having trouble delivering social services, there is ample room for philanthropists to make important contributions.

### **What Will it Take to Make a Real Difference?**

There is a great deal of business confidence in Asia these days, with entrepreneurs who are forward-looking and willing to take on large, international challenges. It is very encouraging to see this confidence spilling over into the philanthropic sector. Indeed there is an increasing focus by the younger generations of established wealthy families and emergent entrepreneurs on addressing the root causes of problems, as opposed to simply alleviating symptoms.

With philanthropy already a very important part of many large wealthy families, those families which accommodate the aspirations of different generations and allow all voices to be heard will likely have the greatest influence. While the strong community orientation of Asian families is a strength, it needs to be balanced by considerations of impact. It is not always enough to give where one wants to; it is often better to give where there is the most need.

While these are all exciting developments, family philanthropy still has a long way to go before it can have a sustained, transformational impact in Asia. Family philanthropy will need to become more strategic in its focus, more collaborative in its orientation and more professional in its conduct. Asian philanthropists will also need to learn to be more demanding of their partners as well as of government. They should also look at how they can advance the professionalization of the sector by contributing to developing its infrastructure.

These are all tough challenges. The passion and enthusiasm expressed by the families interviewed in the context of this research leaves no doubt that Asian families will rise up to these challenges. This bodes well for the future of the sector as a whole and its ability to make a sustained, positive impact in the region.



# Introduction

## From Economic Success to Social Significance

By **Dipak C. Jain, Dean of INSEAD**

The last decade has proven to be an Asian decade with several Asian countries rising to prominence on the world stage. The heads are turning notably towards India and China as they leap ahead with an impressive GDP growth rate and consumerism. However, it has also given rise to a big social challenge – the rising disparity of incomes.

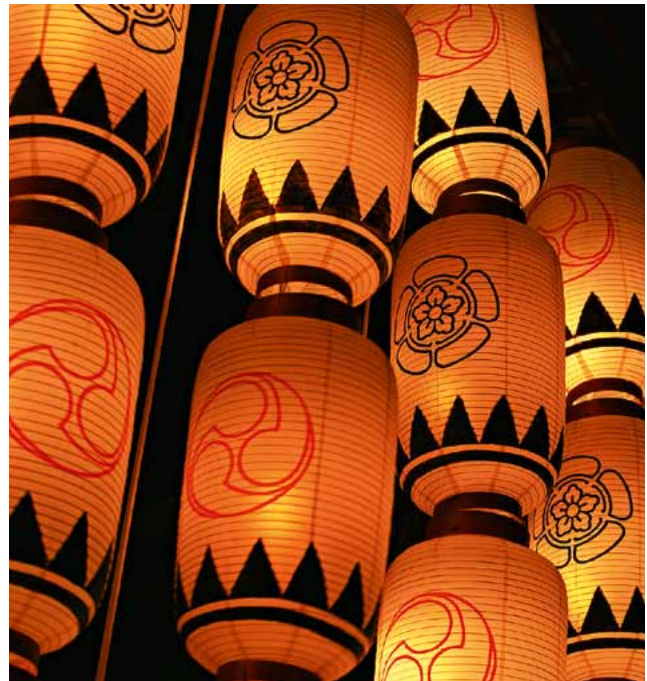
This inequality is a fundamental reality of the new economic growth model in Asia and it should not be ignored. The issue of income inequality is further compounded by the process of globalization that acts as a force of gravity. In order to deal with this challenge of increasing disparity, it is important that beneficiaries of this phenomenal growth start contributing to those who have not benefitted as much. This is where social entrepreneurship and philanthropy have an important role to play.

Business entrepreneurs create new ventures with revenue and profits as their performance indicators, social entrepreneurs devise solutions for social issues with social wellness and betterment of society as their success criteria. Here success is defined by significance in terms of creating a better society. I like to refer to it as a journey from “success” to “significance.” Just as corporations today are focusing on Corporate Social Responsibility (CSR), I feel the successful entrepreneurs of today should think in terms of Individual Social Responsibility (ISR). Successful entrepreneurs in India and China should support social entrepreneurs or non-profit organizations in their respective countries. In my opinion, for philanthropists, helping social entrepreneurship reach scale means not only a bet on smart people tackling big problems but also using their vision and business skills to build an ecosystem capable of sustaining social entrepreneurship worldwide, thus progressing from “success” to “significance.”

My father always told me that children went to school to learn the three Rs of Reading, (W)riting and (A)rithmetic. However, at this juncture of our lives, it is time to re-coin these Rs to Reflection, Renewal and Responsibility. It is important that we build such a culture of philanthropy among youths growing up in the Asian region. This should be a key responsibility of elders in the society.

Philanthropy helps to cultivate socially responsible leaders since it means that they do not just push for maximum personal gain for themselves or their family. Instead, they regard the larger social fabric and seek to make a positive difference in the lives of others.

The milestone of my journey from “success” to “significance” is my association with the Asian University for Women (AUW). An extraordinary initiative of which Cherie Blair is a patron,



## What are the principal challenges facing family philanthropy in Asia?

## What is the outlook, in terms of opportunities and challenges, for family philanthropy in Asia?

and which she spoke about at the UBS Philanthropy Forum in Singapore 2010, the AUW is an apt example of the intersection of philanthropy and social entrepreneurship. AUW provides a world-class education to young women from diverse cultural, religious, ethnic and socio-economic backgrounds from across South and South East Asia and the Middle East including Afghanistan, Bangladesh, Bhutan, Burma, Nepal, Sri Lanka, Cambodia, India, Pakistan, Vietnam, Iran and Palestine. Located in Chittagong, Bangladesh, AUW is a unique project that puts ‘purpose’ before ‘performance’ – and strives for a better world with global prosperity and peace. I hope that philanthropic projects such as AUW are merely seeds in a garden which is waiting to see a million flowers bloom and spread their fragrance around the world.

I hope that the Asian success story isn’t merely limited to headline growth rates and the number of millionaires. Instead, by weaving the culture of philanthropy in our social foundations, we are able to set a benchmark of “giving back to society” for global peace, prosperity and harmony.

## Philanthropy in Asia, a Contextual Perspective

### The Urge to Give

Soichiro Fukutake's father had a dream: "I want to create an island of dreams for children." In 1989, the son started to bring alive the father's dream by leading the transformation of the small island of Naoshima into a center which commingles the experience of art and nature. Today, this island off the Japanese coast is world famous for its indoor and outdoor art, its innovative fusion of nature and architecture and its welcoming embrace of artists, architects, naturalists and visitors.

Some philanthropists are dreamers looking to share love and happiness. Others decide they must act to address social or environmental needs that are not being addressed. In both cases, philanthropy involves a lot more than simply "giving and forgetting." In its fullest expression, philanthropy involves understanding and compassion, giving money and volunteering time, making sacrifices and inspiring others.

The roots of the term 'philanthropy' might be Greek,<sup>1</sup> but the phenomenon is global. Despite publicity surrounding the Gates-Buffett giving pledge and the great philanthropists born in Europe and the Americas, philanthropy is just as much an Eastern practice as it is Western. As Rahul Bajaj, chairman of Bajaj Group, once explained in an interview to the Times of India newspaper: "India has a culture of giving since the time of Buddha. The concept of philanthropy is not new to us."

The Asian region is the birthplace of many of the world's mainstream religions, including Buddhism, Confucianism, Hinduism and Taoism, each of which have traditions that encourage practices and approaches to giving as an element of "living the faith." And Asian families tend to be closely-knit, both internally and with the communities to which they belong: giving is an essential aspect of realizing oneself, of perpetuating family values and of strengthening the community.

### The Asian Environment

The increase in prosperity across Asia over the past half century has been breathtaking and unprecedented. It has been only about thirty years since Deng Xiaoping affirmed: "To get rich is glorious;" China now has over one million dollar millionaires. In recent years, Indian households have witnessed the highest absolute gains in wealth in the world. In the ten countries covered in our report, the average per capita income has risen from under US\$ 10,000 in 1995 to almost US\$ 21,500 in 2005.<sup>2</sup>

The financial crisis has not slowed down the accumulation of wealth in the region: since 2008, high net worth individuals

(HNWIs)<sup>3</sup> in Asia-Pacific have increased by 25.8% in terms of numbers of individuals and 30.9% in terms of total wealth. By the end of 2009, there were some three million Asia-Pacific HNWIs, equaling the number in Europe for the first time, and their wealth totaled US\$ 9.7 trillion. Japan and China command around 65% of total Asia-Pacific HNWI wealth.

Emerging Asia (China, India, Indonesia and Thailand) is fast becoming the main engine of growth in the Asia-Pacific region, and its HNWI population showed robust growth of 33.2% in 2009, with wealth increasing by 40.4%. Going forward, China and India are likely to remain the fastest-growing HNWI segments in the world, based on the positive outlook for market and macroeconomic drivers of wealth for those economies and the Asia-Pacific region as a whole.<sup>4</sup>

But, as Deng Xiaoping had cautioned, the road to prosperity is not even and many millions have been left behind. Across almost every country in Asia, there lie substantial if not growing problems of income disparity, inequality of access to social services, justice and environmental sustainability. In sheer numbers, the continent is still the largest locus of poverty and deprivation in the world: in 2005, there were over 660 million people in India and China alone who lived on less than US\$ 1.25 per day. In India, the wealthiest 5% of the population control 40% of the country's wealth.<sup>5</sup> Urban migration is causing immense dislocations in Asia, with 120,000 people moving every day from rural to urban areas across the continent.<sup>6</sup> In terms of CO<sub>2</sub> emissions, China is now the world's leading country, just as Asia is the world's leading continent.<sup>7</sup>

### The Regional Need

At the 2010 UBS Philanthropy Forum in Singapore, Kishore Mahbubani noted: "The challenges in Asia are great," and asserted that lifting Asia's population out of poverty would be a major contribution to saving the world. In his speech, he emphasized that philanthropy could in no way act alone in this matter: "That scale cannot be done. It has to be the result of development, of commitment on the part of the Asian countries [...]"

While government and industry will remain critical engines for addressing Asia's many challenges, individual and family philanthropy has a role to play. And philanthropists across Asia are beginning to fulfill this role: as catalysts for change; as galvanizers of public support; as risk takers who support new ideas and social entrepreneurs; as incubators of new initiatives; and as solution providers where government and industry come up short. In the Philippines, a private effort led by philanthropist Regina Lopez galvanized the rejuvenation

1 The origin of the word is philanthropia which means "love for mankind" in Greek.

2 CIA Factbook, IMF World Economic Outlook 2010

3 HNWIs are defined as those having investable assets of US\$ 1 million or more, excluding primary residence, collectibles, consumables and consumer durables (Capgemini – Merrill Lynch Asia Pacific Wealth Report 2010), p.4

4 Capgemini Asia Pacific Wealth Report 2010

5 Arpan Sheth. An Overview of Philanthropy in India. Bain & Co. Report, 2010.

[http://www.bain.com/bainweb/PDFs/cms/Public/India\\_Sheth\\_Speech.pdf](http://www.bain.com/bainweb/PDFs/cms/Public/India_Sheth_Speech.pdf)

6 ADB Website

7 IEA 2010 Report Emissions from Fuel Combustion



of the main river running through Manila. Mechai Viravaidya is well known as the Thai 'condom king' and the entrepreneur behind the Cabbages and Condoms restaurant in Bangkok. His activist involvement in reproductive health has contributed to a dramatic reduction in HIV rates in the country.

As of yet, charitable giving across Asia has not caught up with the burgeoning needs of the continent. In India and China, philanthropic contributions constituted only 0.6% and 0.1% of their GDP (as compared to 2.2% in the United States).<sup>8</sup> There is accordingly a tremendous opportunity and challenge for successful families across Asia to have a transformational impact on the social, economic and environmental challenges facing the continent. If faith and community are the spark for philanthropy to flourish in Asia, economic prosperity and economic disparity are likely to be the fuel that will trigger an explosion of family philanthropy. With Asia leading the world in knowledge and wealth creation, one can also expect it to soon lead the way in giving as well.

### **Structured Family Philanthropy**

The family foundation is one of the most personal and most established vehicles for family philanthropy. Most donors who create family foundations do so with three main goals: to make a difference to society, to engage with their families through giving, and to leave a legacy for generations to come.

In Asia, where business is largely a family affair, and where wealth is usually no more than three generations old, the landscape of family philanthropy is emerging. Across the continent, stories abound of family members who started out with very little, worked their way to substantial wealth, and after finding themselves with more money than needed, turned to philanthropy to do something meaningful and contribute back to their community.

<sup>8</sup> Arpan Sheth. An Overview of Philanthropy in India. Bain & Co. Report, 2010. [http://www.bain.com/bainweb/PDFs/cms/Public/India\\_Sheth\\_Speech.pdf](http://www.bain.com/bainweb/PDFs/cms/Public/India_Sheth_Speech.pdf)

These individuals have become a force for good for their families, instilling values of hard work, compassion and generosity that last for generations to come. These values often form the legacies of many family philanthropic endeavors and foundations. "Family foundation" is not a legal term and therefore has no precise definition. The Council on Foundations in the US defines a family foundation as a foundation whose funds are derived from members of a single family. At least one family member must continue to serve as an officer or board member, and they or their relatives play a significant role in governing and/or managing the foundation throughout its life. Family foundations may move from being solely directed by the original donor to having decisions made by the board with multiple generations of the original donor's family and sometimes the involvement of non-family members.

In the US, philanthropic families gave away, through their family foundations and donor-advised funds, more than US\$25 billion in 2007. The world's largest foundation is a family foundation – the Bill & Melinda Gates Foundation. In setting up this philanthropy, Bill and Melinda Gates studied the work of John D. Rockefeller, whose name is associated with one of the best known examples of family philanthropy today. But, while family philanthropy draws inevitable comparisons to the work of the likes of Gates and Rockefeller, it is worth considering that these are exceptions. In the US, most family foundations have less than US\$1 million in assets. Large or small, formal or informal, family foundations are important vehicles for sustained family contributions to social and environmental causes.

While philanthropy is an age-old tradition in Asia, structured family philanthropy is a relatively new phenomenon. Of the 203 family philanthropic initiatives we surveyed for purposes of this report, more than 75% were established as formal philanthropies since 1980 and more than 60% were established since 1990. And, among our respondents, 45% of funding for regional philanthropies came from first generation businesses. The opportunities and challenges of structured, sustained family giving in Asia are still largely ahead of us.



### This Report

With this report, we aim to support the advancement of family philanthropy in Asia by highlighting the philanthropic aspirations and challenges of families in Asia, and by creating visibility with regards to the purposes, scope, organization, and operations of family philanthropies in Asia. In particular, we have asked and sought to answer the following questions:

- What are the principal family-oriented motivations for giving in Asia?
- What are the principal differences in orientation among different generations and 'new money' and 'old money' across Asia?
- What are the principal drivers that determine the focus of giving across Asia?
- What is the state of institutionalized family philanthropy in Asia?





Our report is based on quantitative surveys of over two hundred individuals, groups of individuals, philanthropic foundations and trusts and family businesses engaged in substantial philanthropic activities that are principally based in mainland China, Hong Kong, India, Indonesia, Japan, Malaysia, the Philippines, Singapore, Taiwan and Thailand. We have also conducted, for purposes of our report, over a hundred in-depth interviews of academics, entrepreneurs, government servants, philanthropists, professionals and

social entrepreneurs in these countries. More detail about the interviewees and survey takers can be found in the Research Methodology section.

While our research and interviews by no means present an exhaustive picture of a vast and dynamic subject, we believe we have managed to provide a panorama of the rapidly evolving landscape of family philanthropy in Asia.



# The Family and Giving

## Principal Insights:

– Family philanthropic activities play a critical role in (1) instilling family values, (2) developing cohesion, (3) expanding roles of family members and (4) developing capabilities. These factors are particularly relevant in Asia, where the family continues to be an exceptionally strong locus for business and philanthropic activities.

– The rapid pace of change across Asia has led to generations within families with vast differences in experience and aspirations. In the case of families that manage their business or philanthropic activities as a unit, strategies for accommodating inter-generational differences are critical to the success of the family business or the family philanthropy.

## Family-Oriented Motivations

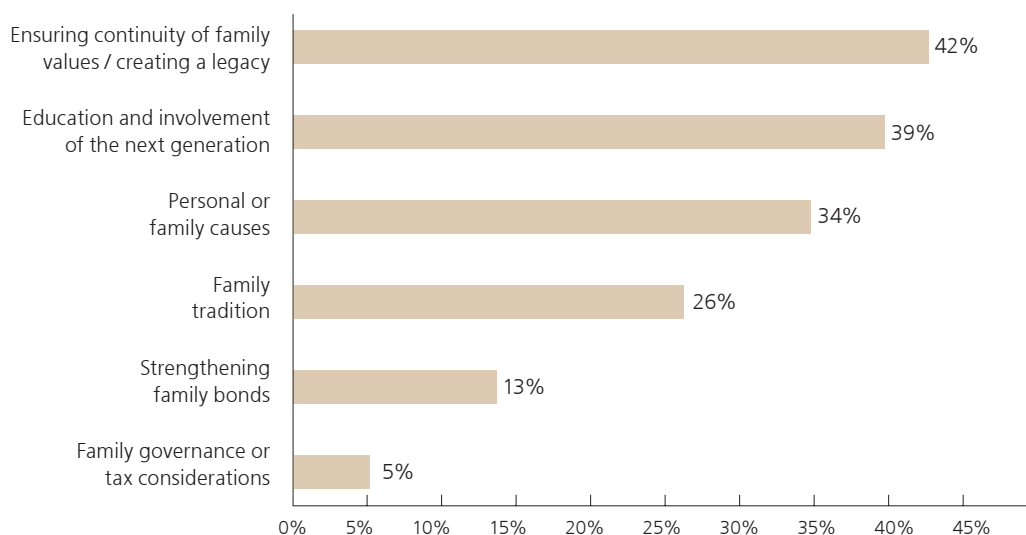
As in other parts of the world, families in Asia have a range of motivations for their philanthropic activities. Some of these motivations have an outward focus, such as the desire to impact a particular community, address a social problem or achieve a pragmatic objective. Some of these motivations are somewhat more internalized, such as the desire to perpetuate family values or build cohesion within the family. In this section, we will explore the internal motivations that compel families in Asia to make philanthropic contributions and the ways in which this activity in turn shapes or divides families.

In most countries in Asia, families tend to be large, complex and closely integrated. The family often constitutes the

locus for the political, social, business and philanthropic orientation of individual members. For example, the Aboitiz family from the Philippines now has 400 members living around the world, who have myriad interlocking business and philanthropic interests. To maintain cohesion, the family has adopted a ‘family constitution,’ a formal system to keep branches of the family informed about developments and which includes a regular five-year family reunion.

Appropriately, the philanthropic activities of families in Asia are often driven by a range of family-related and other altruistic and pragmatic motivations:

## Main Factors Inspiring Families’ Philanthropy (% of Respondents, 2010)



Typically, family-oriented motivations for philanthropy form a dense, interrelated cluster; these motivations combine to create forward momentum in developing philanthropy from an individual impulse to an inextricable part of the family culture.



### The Tan Chin Tuan Foundation

#### Multiple Drivers for Giving

The Tan Chin Tuan Foundation in Singapore is an example of a family philanthropy with a wide variety of motivations for its giving. It was originally founded in 1974, when Mr. Tan Chin Tuan decided to formalize his personal giving by setting up The Tan Chin Tuan Foundation.

Because of his father's premature demise when he was 16 and the imperative of working to look after his widowed mother and younger brother, Mr. Tan forwent the opportunity to obtain a university education. As such he always felt strongly about education. He was mainly active in the education and poverty relief sectors, the importance of which became a tradition that he passed on to his children and grandchildren as they became involved in the foundation. Currently, his daughter and three grandchildren are active in the foundation, which provides a common forum that draws

them together.

The foundation focuses on supporting the disadvantaged members of society: the impoverished, the elderly, those with limited access to medical care, and children without means to receive a basic education. Initially addressing these societal needs on a case-by-case basis, the foundation now carries out thorough due diligence as part of the procedures they have established for their grantmaking process, as well as tailoring a suite of support for their beneficiaries that goes beyond cash disbursements. The foundation also tries to multiply the effect it has on the larger societal problems by bringing together operational organizations it works with that address similar issues, and encourage exchanges of ideas, experiences, mistakes and best practices.

### Family-Oriented Motivations for Giving in Asia

Although family-oriented motivations for giving in Asia are most often combined they may be divided into four principal categories:



## Instill Family Values

In Asia, as in other parts of the world, philanthropy enables family values to acquire tangible form and be driven through the different generations. The influence of these values can also reach the larger community around the family.

### Values Expressed Through Family Philanthropy

Change:	Making a difference
Community:	Feeling a meaningful connection to a group of people
Compassion:	Feeling sympathy, care, or concern for others
Courage:	Standing up in the face of fear or adversity
Equity:	Being fair and free from bias
Freedom:	Having the ability to exercise choice and free will
Gratitude:	Having a sense of appreciation and thankfulness
Innovation:	Finding new and creative ways of doing things
Justice:	Pursuing what is fair and morally right
Leadership:	Motivating others to work toward achieving a common purpose
Loyalty:	Being devoted to a person, ideal, duty or cause
Obligation:	Committing to fulfill a duty or promise
Opportunity:	Having the chance to progress or advance
Personal growth:	Pursuing new skills and self-awareness
Recognition:	Being publicly noted for one's efforts
Responsibility:	Voluntarily doing what is expected
Risk:	Exploring the unknown by testing limits; being willing to fail
Spiritual growth:	Seeking connection to a higher purpose
Tolerance:	Respecting the beliefs, practices, or innate differences of others
Tradition:	Valuing a practice, custom, or story passed through generations

Within the family, philanthropic activity can enable family values to acquire concrete meaning. Through concrete financial and personal commitments like contributions and volunteerism, families can display to the community their commitment to help solve social issues.

Doña Consuelo "Chito" Madrigal, the founder of a Philippine foundation, always placed a high value on the capacity of individuals and institutions to become self-reliant. Initially under her leadership, and now under the leadership of her niece, the family foundation continues to focus strongly on supporting projects, individuals and institutions that are able to achieve sustainability. This focus on sustainability also enables the foundation to free up its resources to invest in new projects and thereby widen its impact.

## Atty. Felipe Gozon

### A Tradition of Values

Atty. Felipe L. Gozon, Chairman and Chief Executive of GMA Network, Inc., one of the largest media networks in the Philippines, comes from a family where values that are formed by the experiences of one generation are passed on to the next. The example that the older generation sets in its giving serves as a model to the younger generation, so that values such as compassion, responsibility and tradition are formed naturally in the hearts of the young.

Atty. Gozon's childhood memories of life during World War II deeply influenced his attitudes toward philanthropy. There was a food scarcity at the time, and occupying Japanese soldiers were sequestering all the food they could find from the local people. Atty. Gozon's grandmother insisted on sharing their family's available beans with neighbors who didn't receive any, so that they wouldn't contract beri-beri from lack of protein. This was one of many incidents that influenced Atty. Gozon and his decision to pursue philanthropy.

Atty. Gozon and his immediate family, his mother, and his brothers and sisters are directly involved in the family philanthropy, which serves as a vehicle to bring them together. They "play it by ear" with regards to criteria in choosing grant recipients, while informally consulting friends and family members who are knowledgeable about the activities being proposed. Funds are distributed based on availability within the foundation, and the needs of the applicants. "I believe that the desire to help and engage in philanthropy must come from the heart and should not be colored by any ulterior motive," he says.

Philanthropic giving can also exemplify values held by the family to those involved in the family business. In Asia, family-driven business and philanthropic activity is often conducted in tandem, so philanthropic activities are made visible to employees and in many cases conducted through the family business. An important motivation for such conduct is to drive adoption of family values by employees and business partners. A number of leading family philanthropic efforts in the region include employees in their activities. The Cathay Charity Foundation in Taiwan is closely linked to corporate companies also founded by the Tsai family, and encourages volunteerism among the corporate employees in the service of disadvantaged members of the community. Some employees continue this kind of community service outside of the program on their own volition.

Manifesting family values can also have an influence on increasing charitable activity in the larger community. Contributions to the family's ethic, religious and social community,

and to specific causes that are close to the family and which affect the community, can provide a model for others in the community to make contributions. As philanthropists in Thailand, Kathy and William Heinecke provide scholarships to students in need, and hope that these students perform charitable acts in their communities in return.

### Develop Cohesion

The motivation of developing cohesion is also an important driver: philanthropic activities can unite families in the pursuit of a common goal. In the case of Asian families that have acquired wealth more than one generation previously, the cohesive force of common business pursuits may start to weaken. In the case of latter-day entrepreneurs who have not involved their families in their business ventures, such business-driven cohesion has never occurred. In all cases, the shared activity of giving can strengthen family bonds, whether within a generation or across multiple generations.

Close business partnerships among members of one generation (including siblings and cousins) is still very common in Asia, especially in India, Indonesia, the Philippines and Thailand. In such situations, family contributions to common causes through a common vehicle play an important role in maintaining family

solidarity. In the Philippines, Atty. Felipe L. Gozon and his brothers and sisters contribute and volunteer time to a single family foundation. According to Atty. Gozon, this common activity has drawn him and his siblings close together, just as in the previous generation, his mother and her siblings participated in common philanthropic causes and also developed extremely close personal bonds. Atty. Gozon's family are also active in the GMA Kapuso Foundation, the corporate giving arm of GMA Network, in which he holds a substantial stake. According to a Singaporean philanthropist: "Having a formal institution helps to bring the family together because they are fulfilling a common purpose as they realize that the family's wealth is being used for a worthwhile cause, to improve society. Philanthropy can give younger members of the family a new perspective on the harsh realities of life for underprivileged people, and helps family members learn and appreciate the family's legacy as well as their own fortunate circumstances."

Asian families tend to be large and highly complex, and in many cases multiple or late-stage marriages result in family generations spanning substantial spectrums in terms of age and life experiences. In such circumstances, family philanthropy can play a strong role in building deep connections across generations.

## The Murugappa Family

### Giving a Role to All the Generations

The Murugappa family traces its roots to 1760. The Group's business was setup in the early years of the 19<sup>th</sup> century by Dewan Bahadur A.M. Murugappa Chettiar. Along with business success came a commitment to philanthropy, drawing on traditional values of supporting the village and local community. That commitment has grown today to include the AMM Foundation and the Shri AMM Murugappa Chettiar Research Centre, both of which are funded by corporate and personal donations.

Beyond reflecting strongly rooted values, philanthropy also plays an important role in helping the family manage the interplay between the different generations involved in the family business.

A strong family charter defines roles for family members and the conditions under which each member of the family can join the business. Adherence to those values and the charter has allowed the family to remain a strong cohesive unit. Here, philanthropy plays an important supplementary role as an extension of the business.

Indeed according to the family charter, members of the family must resign their positions within the company upon reaching 65 years of age. All of them take up a role within the realm of the family philanthropy. For instance, the current Managing Trustee of the foundation, Mr. M.V. Subbiah

was previously Group Chairman. Mr. M. V. Murugappan who retired as Chairman of a few of the major Group companies, now heads the Research Centre of the Group as its Chairman. Mr. M. A. Alagappan, the immediate past Chairman of the Group, is presently mentoring the foundation's largest hospital, currently on an expansion program. Given his own background as an engineer, Mr. M. M. Murugappan the current Vice Chairman of the Group contributes time to the Murugappa Polytechnic College, one of several institutions funded by the foundation.

With philanthropy the family is therefore able to ensure that older members continue to play an important role in maintaining the values for which the Murugappa name stands, while making way for the younger generations in the family company.

As the family and business have grown, this system has had to adapt and faces some challenges. The growth of the group, far beyond its roots in Chennai, means the foundation is considering supporting programs in far off states that are not closely tied to the family's community – and thus not as close to the heart of the family. However, the biggest challenge remains to involve younger family members into the philanthropy. As a result, the family is also considering expanding the scope of the foundation's activities, to allow other members to participate.

### **Expand Roles**

Philanthropic activity is often used to create meaningful roles for family members. Older generation members may focus on philanthropy, thereby creating space for younger generation members to assume greater responsibility in the business. Family members who are not directly active in the business can lend their energy and expertise through family philanthropy. In many cases, philanthropic causes carry greater emotional and personal appeal than business activities, and enable philanthropically-minded participants to expand their role within the family.

There is a strongly held belief in Chinese, Indian and other Asian cultures that the most fitting role for a member of the older generation is to become a source of wisdom and to contribute back to the community. In many families in Asia, as the next generation begins to mature, the patriarch or matriarch will progressively start to focus less on the business and more on philanthropic activities. As his son took over the operations of Dr. Reddy's Laboratories, Anji Reddy was able to step back from running his company and dedicate more time to his philanthropy, including the Dr. Reddy foundation which he launched in 1996. Dr. Reddy has also continued to be involved in his company's research and development activities.

As in other parts of the world, spouses of successful entrepreneurs and professionals often play a critical role in advancing family philanthropic causes. Such roles are often culturally reinforced in Asia. In traditional Chinese families, the woman often assumes the role of keeping household accounts, attending to household matters, raising the family and giving to charity. The Dolores Children's Fund, a program of the Ramon Aboitiz Foundation in the Philippines, is run by the spouses of the three Aboitiz brothers, and makes grants for organizations specifically focused on addressing children's issues.

Family philanthropies typically create a space for members of the younger generation to participate meaningfully in family affairs, including members who cannot be fully accommodated within the family business or are interested in philanthropic causes but are not very interested in the family business.

### **Develop Capabilities**

The strong emphasis on family business in Asia means that practical training often has an 'in-house dimension' (although increasingly members of the younger generation tend to work at international investment and consulting firms before returning to the family fold). For those family members who don't have experience in managing a business, the family philanthropy can play an important role in developing the capabilities and knowledge necessary to eventually step into a role that carries forward the family business.

The Tolaram Group in Singapore sees philanthropy as an entry point for their younger generation, partly because of its utility in providing operational experience that can translate to effectively running the family business. They also gain an understanding of the areas where the business is located, such as Africa. Young family members start with narrow tasks such as research, over time become involved in implementing projects, and ultimately assume leadership roles.

The family philanthropy may also serve as a platform through which younger family members versed in modern ways of thinking and new technologies may influence the perspectives of older family members. Because of the general deference given across Asia by members of the younger generation to members of the older generation, it is often difficult for such younger generation members to guide their elders based on their own insights and experiences.

Philanthropic activity provides a space for such reverse mentoring that does involve challenging elders in the cut-and-thrust of the business world. Michele Dee-Santos, granddaughter of Ambassador Yuchengco, works full time for the the Philippines' AY Foundation which her grandfather founded. As the Executive Vice President of AY Foundation she implemented new guidelines and processes for giving grants that ensure the foundation is able to capitalize on the generosity of its founder. With new ideas Ms. Dee-Santos was able to set in place a more strategic giving approach to maintain the foundation's funding balance while ensuring it continues to adhere to the values on which it was created.

### **Inter-Generational Issues and Strategies**

The on-going and exceptionally rapid political and economic transformation of Asia has created successive generations within Asian families with vastly differing experiences and prospects. There are stark differences between the present two, and certainly three, generations of Asian family members in terms of their exposure to war and political upheaval, economic deprivation, the impact of the West and the globalization of business. And each generation has experienced differently the shifting balance of tradition and modernity that is defining every contour of society and culture in Asia.



While there are important exceptions, the following generational differences in attitudes and approaches towards philanthropy are reasonably typical across Asia and were generally observed through our interviews:

**Attitudinal Framework:** For older generations, attitudes and approaches towards giving are largely influenced by traditional religious and cultural attitudes. Younger generations are increasingly influenced by Western and international trends and practices.

**Affiliation:** The older generation feels a sense of responsibility to the religious, ethnic and cultural community to which the family belongs, while the younger generation’s sense of responsibility is increasingly geared to national and international causes.

**Sector:** The older generation applies a strong focus on traditional sectors such as education, health and poverty alleviation, while the younger generation has a tentative but increasing focus on sectors such as arts and culture, civil rights and the environment.

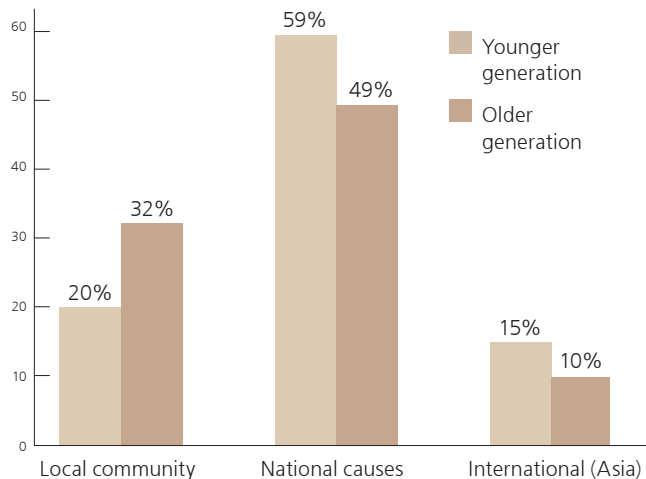
**Impact Measurement:** Generally, the older generation is not particularly focused on measurements of social impact, while the younger generation is increasingly focused on supporting causes that can be measured in terms of social impact and return on investment.

**Implementation:** The older generation focuses on keeping administrative costs low, using existing business staff and entities and directly controlling projects. Younger generations

Strategies for Accommodating Inter-Generational Differences*		
Model	Success	Challenge
Patriarchal/Matriarchal	Recognizing the differing aspirations of younger generation family members, a patriarch has set aside ‘envelopes’ or pools of funds for each family member that may be contributed by such family member in their discretion. Watching over their contributions, the patriarch increases the size of the ‘envelopes’ of family members whom he determines to be more dedicated and effective philanthropists.	Referring to the administration of the family foundation, a third-generation Singaporean philanthropist felt that at first “no one wanted this job; it was shoved down my throat.” He feels very limited by the constraints on causes imposed by the older generations, for example to fund advanced education for poor students and not the arts, the disabled, or early childhood education.
Collegial	The decision-making process at the Tan Chin Tuan Foundation involves the grandson, two granddaughters, and the daughter of the founder. While it takes more time to form a consensus between them, each has the chance to have their voice heard.	A leading family in Singapore has democratized the decision making process, but with ‘grandfathering’ of traditional philanthropic commitments. Without a clear charter, the family members are at somewhat of an impasse, with the greatest negative impact being felt by family members who want to try innovative new ways of making contributions.
Managerial	A leading family in Hong Kong has created three separate funds, with separate but mutually supportive management to address the orientations of different family members: <ol style="list-style-type: none"> <li>1. The founder oversees contributions to educational institutions and for scholarships.</li> <li>2. The second generation members oversee a fund with a broader mandate that includes healthcare and disaster relief.</li> <li>3. A third generation family member oversees a portfolio that invests in and provides grants to social enterprises with earned income strategies.</li> </ol>	A family in India has devolved control of its 50-year old foundation to managers. While the foundation now obtains a significant portion of its funding from third parties, it has become excessively bureaucratized. New initiatives have slowed down to a trickle.

\* We have kept respondents’ identities anonymous as per their request.

### Geographic Distribution of Philanthropic Giving (% of giving, 2010)



are increasing engagement in scalable ventures involving multi-party collaboration for the benefit of social entrepreneurs, and are willing to hire professional staff to run the organization.

**Political Influence:** The older generation tends to be more deferential to political and governmental actors, and tends to shy away from politically sensitive causes. The younger generation tends to have higher expectations of government in terms of efficiency and honesty and tends to be more willing to support causes involving civil and political rights and advocacy.

These generational differences play out differently in the context of the three business and philanthropic models most prevalent in Asia:

- **Patriarchal/Matriarchal Model.** A strong patriarch or matriarch defines and controls the agenda and the purse strings and expects deference from other family members.
- **Collegial Model.** A group of family members work more or less democratically to establish priorities and roles.
- **Managerial Model.** A professional management team runs the business or philanthropic activities and reports to a board, which typically consists of a mix of family members and professionals.

The challenge of reconciling inter-generational differences plays out differently for families that have adopted the Patriarchal, Collegial or Managerial Model. While it appears that the Collegial and Managerial models are generally more capable of accommodating differing aspirations between generations, it is by no means given that adoption of any one model will ensure success in reconciliation of inter-generational differences. The table on page 21 provides illustrations of successful and unsuccessful adaptations of inter-generational differences across the three models.

## Asian Giving: Perspectives of a Philanthropy Practitioner

By Priya Viswanath, Managing Director, Dāna Asia

Sharing perspectives on the growth of wealth and giving in the Asia-Pacific region is always an interesting challenge! There is tremendous pride in belonging to a region that has produced three million HNWI's with wealth of US\$ 9.7 trillion and from all accounts rebounding to levels seen before the global financial crisis. Asia is home to the fastest growing HNWI population and Japan and China commanded around 65% of total Asia-Pacific HNWI wealth.

On the other end of the spectrum is an Asia where the largest numbers of poor in the world reside; where inequality abounds and large majorities have no access to basics – food, shelter, health care or educational opportunities.<sup>1</sup> Two of the fastest growing economies in Asia – China and India – are ranked by the Human Development Index (HDI) at 85 and 128 respectively.<sup>2</sup>

Philanthropic giving<sup>3</sup> in Asia set against this backdrop of opportunity and need has not grown significantly.

So what ails Asian Philanthropy? For over a decade I have served organizations in Asia that attempted to play a bridging role and facilitated philanthropic giving by individuals and corporations (wealth creators) to charities. The take-aways from that journey have been many and of relevance today as we study a young and emergent philanthropic sector in the region.

The three biggest challenges facing philanthropy in Asia today are lack of philanthropic leadership (among wealth creators), absence of analytics and research (knowledge for advocacy – critical to the future of philanthropy) and trust and accountability of non-profits (addressing credibility issues – the key deterrent to engagement and giving). On a more practical (execution) front – issues of professional management, absence of any real strategy to ensure long-term sustainability, ability to scale and efficacy are issues the HNWI's and UHNWI's struggle with given their entrepreneurial nature and ambition.

<sup>1</sup> According to the UN's 2010 report which also considers the unevenness in the distribution of wealth, health and education among a country's people to produce a new inequality-adjusted HDI (IHDI) which penalises countries according to the inequality of their development. This reduces countries' 2010 HDI scores by 22% on average. China's HDI is reduced by 23% and India's by 30%, which suggests that the former's rapid development has been the more equitable (Developing Humans, The Economist Online, 4<sup>th</sup> November 2010)

<sup>2</sup> [http://www.nationmaster.com/graph/eco\\_hum\\_dev\\_ind-economy-human-development-index](http://www.nationmaster.com/graph/eco_hum_dev_ind-economy-human-development-index)

<sup>3</sup> Philanthropic giving in this context to be read as "tax effective giving/gifts"

The UBS-INSEAD collaboration to address the knowledge issue is therefore an important effort to bridge the knowledge gap. Anecdotal data on philanthropists and their pledges provide inspiration, but in a knowledge economy, substantiated data is important.

Across Asia there have been attempts by individuals and families to engage with philanthropy. In the recent past there have been announcements by several HNWI's pledging their wealth for philanthropy at the same time as Bill Gates and Warren Buffett brought the Giving Pledge to Asia. From China to Malaysia to India there have been commitments and endorsement for philanthropy. What is interesting to note is the substantive engagement of a new generation of entrepreneurs who are willing to undertake this journey.

One has to be cognizant of the fact that in Asia it is hard to establish degrees of separation between family philanthropy and company philanthropy/CSR. Often what is seen as individual or family giving is "company giving" now practiced through the establishment of company foundations and trusts. Funds flowing into these foundations include those of owners, investors, employees and other stakeholders. In India there is also the case of the Tata Group wherein Tata established the Tata trusts which today controls 65.8% of the shares of Tata Sons, the holding company of the group. There are other examples of old wealth finding its way to charitable foundations across the region.

Today the private wealth industry in Asia-Pacific offers philanthropy advisory and investment services to their clients. There have been a number of big firms leading in this space for a number of years and the result of that has been a more professional engagement by HNWI's resulting in strategic investments to developing world non-profits. In partnership with philanthropy and development experts empanelled with them (or staff recruited from the development sector), banks and wealth management firms today provide professional advice to clients resulting in sound grant making, establishing philanthropy infrastructure (trusts and foundations) and educational programs/peer learning opportunities that help them share and learn about philanthropic initiatives and practices. The younger generation among Asian entrepreneurs is distinctly different. They are strategic and prefer to give to projects that can give them a clear social return on investments. They bring business practices into non-profit ventures and support social enterprises, micro credit, vocational training for employment and those projects which have ambition and can scale. More hands on, they mentor and leverage and bring a certain dynamism into their philanthropic ventures. These new money entrepreneurs alongside old money philanthropists have a great opportunity to solve Asia's biggest problems. This also leads to non-profits stepping up and responding to market demand.



"There is good sociological evidence that many high net worth individuals and families are searching for personal validation and meaning within their lives, and that philanthropy and service represent increasingly important ways to achieve such meaning," say colleagues at The Philanthropic Initiative in Boston. As Asians lead the way in generation of significant wealth, this search for meaning and validation at the personal and regional level is bound to continue. Private wealth bankers and investment managers will find it imperative to support the aspirations of their clients and mainstream this activity, beyond a simple value-add service.

Private wealth for public good is a non-negotiable in the ultimate analysis. As Bill Gates, Founder of Microsoft Corporation and Co-Chair & Trustee of the Bill and Melinda Gates Foundation, has thoughtfully remarked... "If you're in the luckiest 1% of humanity, you owe it to the rest of humanity to think about the other 99%."<sup>4</sup> The future of Asia will rest on the equitable distribution of wealth and HNWI's will have a key role to play in ensuring "development" of the region for a sustainable future.

<sup>4</sup> <http://thestar.com.my/news/story.asp?file=/2011/3/6/nation/8194382&sec=nation>

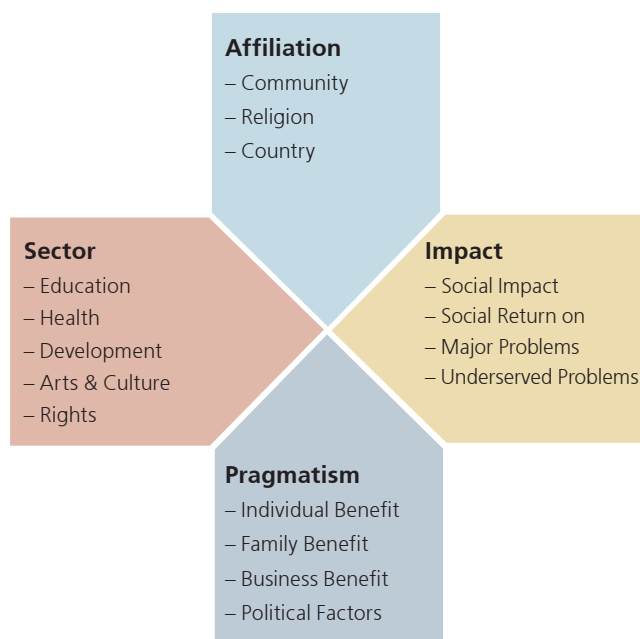
# The Focus of Giving in Asia

## Principal Insights:

- Family giving across Asia is driven by affiliation (community, country, ethnicity, religion), sector (education, health, etc.), impact (social return on investment, problem solving) and pragmatism (personal, business, etc.).
- The affiliation factor is the principal driver of giving across most of Asia, with community, country and ethnicity being critical factors that determine the scope and direction of giving.
- Within sectors, families across Asia predominantly contribute to educational causes.
- Religion is an important source of inspiration for philanthropy, but while religious institutions in a number of countries are well supported by a large flow of small contributions, there is surprisingly little emphasis on systematic, structured contribution to religious causes.
- Contributions to poverty alleviation and development form an important sector of contributions by family philanthropies. However, family philanthropies appear to have a less-than-optimal impact in this sector because the government bodies and non-governmental agencies that dominate this sector are not geared to accommodating family philanthropies.
- Families across Asia make a relatively low level of contributions to emergent sectors, such as arts and culture, civil rights and the environment, and members of the younger generation are the most avid supporters of such causes.
- Members of the younger generation among more established wealthy families as well as newly emergent entrepreneurs across Asia are beginning to ask how they can deploy their money and entrepreneurial capacity to address the root causes of social and economic problems across Asia.

## Taxonomy of Drivers

In addition to family-oriented motivations, the principal drivers that inform the direction and scope of family philanthropy in Asia may usefully be classified in a four-part taxonomy: *Affiliation*, *Sector*, *Impact* and *Pragmatism*.



By *affiliation*, we refer to the community, ethnic, religious and national ties that inform family philanthropy.

By *sector*, we refer to the causes or subjects that attract family philanthropy in Asia.

By *impact*, we refer to the extent to which family philanthropists are being driven by the objective of achieving defined social impacts or addressing problems of a given magnitude or nature.

By *pragmatism*, we refer to the extent to which family philanthropists are driven by practical, non-social goals, including benefiting the individual or the business.

None of these four drivers operate exclusively: as in other parts of the world, family philanthropy in Asia involves the interplay of a complex set of drivers. However, the drivers of giving in Asia form a distinct pattern.



## Affiliation

### The Principal Driver

Affiliative relationships and loyalties (whether to social-linguistic community, ethnic group, religious creed, nation or even to a more generalized sense of being “Asian”) are the principal drivers of family giving in Asia.

### Community and Country

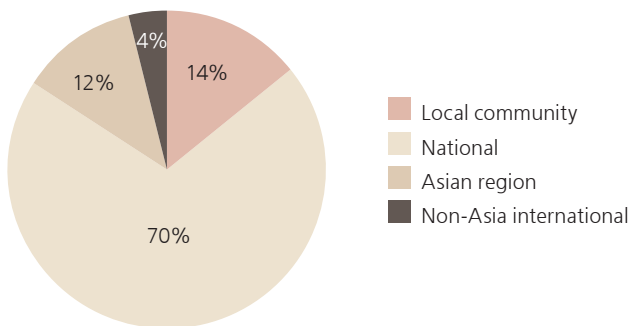
In general, families across Asia focus their philanthropic activities on the countries of which they are citizens or from which their ancestors emigrated, and on the socio-linguistic communities to which they belong.

Our survey indicates that, for 2010, on average in the region approximately 70% of family philanthropic giving is directed toward national-level causes. Even among the 16% of charitable giving directed internationally, only 4% reaches countries outside of Asia.

Moreover, there is a strong bond of giving between philanthropists and the ethnic communities to which they belong. Around 14% of Asian philanthropists’ contributions are directed to causes on this local and ethnic level.

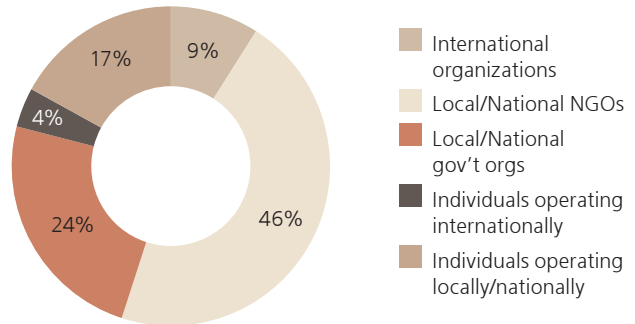
### Geographic Focus of Giving

(% of giving, 2011 projected)



The exceptionally strong bias in Asia toward country and community is also manifest in the focus of organizations to which our survey respondents make contributions. 87% of contributions are directed to local or national individuals, non-governmental organizations or governmental bodies.

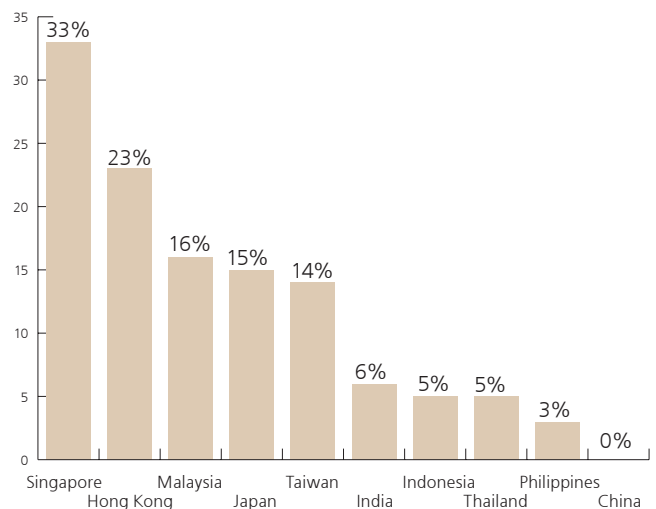
### Contributions per Grantee Type (in %, 2010)



While most giving in Asian countries is directed towards domestic causes, philanthropies based in Singapore and Hong Kong made the highest proportion of international donations, which may be partially attributable to the relative affluence of these regions. The large international population in the case of Hong Kong is also a factor.

### Non-Domestic Giving by Philanthropies

(% of giving, 2010)



Diaspora populations are also an important factor in affiliation-driven giving. Based on our research on patterns of giving among members of the diaspora, it appears that these communities reinforce the general pattern of giving in Asia. Members of such diaspora communities tend to either make contributions within the countries they reside or to the countries from which their families emigrated.

Accordingly, a very substantial portion of international contributions by Singaporean families of Chinese origin flows into China, and a very substantial portion of international contributions by Singaporean families of Indian origin flows into India. For example, the Singapore-based Lien Foundation devotes a large portion of giving to development causes in mainland China. Sunshine Trust, funded by thirty Sindhi families largely living outside India, goes a step further: the trust concentrates its activities on the Sindhi community residing in India.

## Religion

The role of religion as a driver for family giving in Asia has unique characteristics. Our research confirms that, for many philanthropists in Asia, their motivation to give is strongly determined by their religious beliefs. But the religiously inspired activity of giving does not translate seamlessly into giving to religious institutions. Although in most of Asia (particularly in Indonesia, the Philippines, Singapore, Taiwan and Thailand), there is a substantial flow of small and unstructured contributions to the coffers of religious institutions, there is a surprisingly low level of strategic, structured giving to religious organizations. For a more detailed discussion on religion as a driver for family giving in Asia, see "Sector."

## Inapplicability of Affiliation-Based Giving

The overwhelming emphasis on affiliation as a driver for philanthropic activity appears not to apply in two circumstances.

First, philanthropies in wealthier countries (most notably Japan and, to a lesser extent, Singapore), are beginning to orient more of their activities towards less advantaged countries in Asia. For example, in Japan Hideo Okubo set up a foundation to strengthen education in Cambodia, because he determined there was a tremendous need to improve the educational sector in that country and felt that he could play an important role in catalyzing the Japanese educational system to play a contributory role.

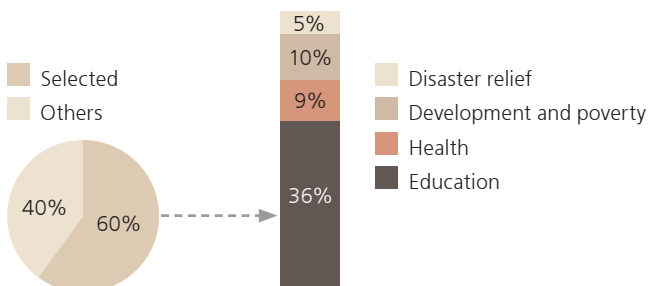
Second, contributions towards disaster relief are increasingly not linked to affiliation: Singaporean foundations gave to Pakistani flood relief, there was broad regional giving to tsunami relief in Aceh, Thailand, and Japan. For a more detailed discussion on contributions towards disaster relief, see "Sector."

## Sector

Family giving in Asia occurs around a range of sectors but is very significantly clustered around just a few sectors: education, poverty alleviation/development, health and disaster relief. Together, the top four sectors account for 60% of all giving in 2010 and are expected to account for approximately the same amount in 2011.

## Top Sectors for Philanthropic Support in Asia

(% of giving, 2010)



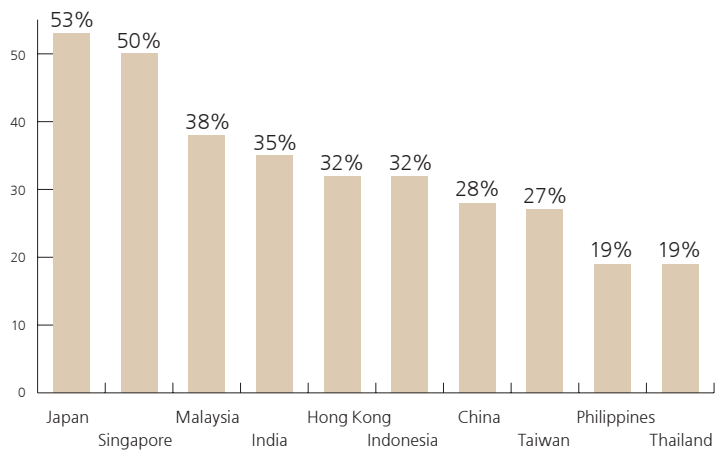
The importance of sector generally as a driver for giving, and the importance of education in particular, has deep cultural, social, economic and political antecedents.

## Education

Education is the leading philanthropic cause in Asia. Across the region, our survey respondents will devote 35% of their philanthropic giving this year to educational causes.

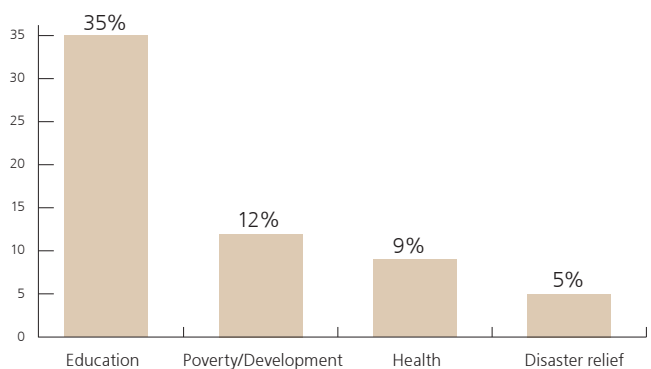
## Giving from Family Philanthropies to Education

(% of giving, 2011 projected)



In all countries surveyed, the education sector attracts the highest percentage of philanthropic contributions. Moreover, education leads other popular causes by a wide margin.

## Giving to Top 4 Causes (% of giving, 2011 projected)



## Drivers for Educational Giving

There are a number of important reasons why education holds such a significant attraction for Asian family philanthropists. Charitable giving to education has deep cultural roots, often tied to Confucian, Hindu, Buddhist, Islamic, Christian and other religious traditions. In the Confucian philosophy, education is the pervasive life activity that enables one to become capable, to know oneself, and, most fundamentally, to live morally. In Hinduism, "student life" is one of the four Ashrams that make up the major, necessary stages of a person's life. To contribute to someone's education means to contribute to making that person morally and spiritually whole.

Another reason is that philanthropists in Asia believe that contribution to education is the most foundational and sustainable strategy for uplifting individuals and communities from poverty

and enabling an overall improvement in the quality of life. For example Dr. Lee Shau Kee, a prominent philanthropist in Hong Kong, commented on the effectiveness of education: "Our main focus is on education, because of the leverage effect it can have. One teacher teaches 10 students, then 10 students can teach 100 students, 100 can teach 1000."

Also, education breaks the poverty cycle of a family. One person getting an education will benefit the whole family. According to Michelle Sampoerna, Chairman of Indonesia's Sampoerna Foundation: "My father (Putera) and all my family have always believed that education plays a critical role in the development of leaders, and is an essential element in allowing Indonesia to take its rightful place among the community of developed nations."

For most Asians, the rise to wealth from conditions of poverty has a genealogy of less than one or two generations. Successful entrepreneurs hold a deep and closely held recollection of intense personal or family deprivation, and most prevalent is the sense of having been deprived of a high quality education. Many either persevered to their current status in spite of not having access to a decent education, or only because they were lucky enough to find a helping hand to complete their education. Huang Rulun, currently the chairman of one of the largest property development companies in China, was forced to drop out of school at age 12 to support his family. This experience has driven him to substantially focus his contributions to educational causes in China. Chinese philanthropist Yeung Kwok Keung had similar difficulties in his childhood, but modest financial assistance given to him resulted in a later desire to contribute to education.

Additionally, contribution to educational institutions is widely regarded in Asia as being one of the most transparent and measurable forms of giving. According to M.B. Melwani, co-founder of Sunshine Trust, which is sponsored by thirty wealthy families from the highly successful Sindhi business community, "We don't achieve this level of transparency and measurable impact in any of our other activities." The Trust utilizes a committee of advisors in selected cities in India that selects and monitors eligible schools and eligible students, pays fees for eligible students directly to the schools and receives progress reports directly from the schools.

Almost uniformly across Asia educational institutions are far better organized than other socially oriented institutions in respect of the systematic solicitation and deployment of, and accounting for, contributions from families. To this effect, Chew Kheng Chuan, Chief University Advancement Officer at Nanyang Technological University in Singapore, and a pioneer of institutional fundraising in Asia, regards universities as leading the professionalization of philanthropic funds solicitation across Asia.

Alumni and social networks as drivers for contribution to educational causes appear to be less strong in Asia than in Europe

## Yasuhiro Fukushima

### Building Sustainable Frameworks Enabling Children's Access to Education

Having retired in 2004 at the age of 56, Mr. Yasuhiro Fukushima set out on a journey through Cambodia, Vietnam, Laos and Myanmar to identify opportunities to contribute to society as an individual. He decided to focus on providing poor children with an environment to realize their dreams. When he came across the problem of child labor in the poorest families, Mr. Fukushima identified the economic independence of families as the key to liberating the children from labor, enabling them to attend school and thus have hope in the future and realize their dreams.

Mr. Fukushima decided to partner with CEDAC (Cambodian Centre for Study and Development in Agriculture), an NGO which has a strong track record in agricultural development in Cambodia, to teach farming as a means to achieve economic independence. In starting the project, he set an objective to build a framework which will enable the poorest families to continuously achieve economic independence even after the two year project ends. With little use of financial and material aid, he decided to focus on technology and skills transfer and work through village leaders.

In phase one (2005), he worked with 50 villages in which CEDAC was already active; the villages became economically independent and continue their development activities to date. In the following year, he started phase two and extended the scheme to 40 villages not covered by CEDAC previously. When he succeeded, Mr. Fukushima felt confident to deploy the scheme to the entire Cambodia and launched in 2008 phase three, which in addition to starting the farming project in 100 villages, also included a schooling project. He produced and screened two films that emphasized the importance of education. In the current phase 4 which kicked off this year, the farming project now encompasses 700 villages. Simultaneously, he is working on a new project in Kampong Speu Province to develop a framework that enables the government, educational authorities of provinces and districts, and schools to effectively encourage children to continuously attend school. This would ensure the Ministry of Education, Youth and Sports can carry on the work throughout Cambodia.

Mr. Fukushima's goal is to ensure that all children in Cambodia have access to education. His philanthropic ideas are growing beyond Cambodia and his challenge continues.

and much less strong than in the United States. Nevertheless, such networks play an important role in driving contributions for educational causes across Asia and are particularly strong in Hong Kong, India, Japan, Singapore, the Philippines and Taiwan. Established in 1935, the Doon School in India was cited by *The Economist* in the 1990s as having the second most influential alumni network in the world after Harvard. The Doon alumni network has been instrumental in raising funds for the school, including from the Indian diaspora. As in the case of a number of other such networks in Asia, the Doon network has been particularly successful in obtaining rolling, multi-year commitments (in contrast with large one-time grants).

Finally, a range of pragmatic reasons also favor contributions to educational causes. These include: match-funding by gov-

ernment in specific cases, the perception that contribution to education is politically neutral, the reputational benefits of being associated with or even naming a building or program at a prestigious educational institution, and the ability to tie in contributions to research programs with business objectives.

**Categories and Modes of Giving**

Family giving for education across different Asian countries spans the primary, secondary, tertiary and vocational categories. However, there appears to be differentiated degrees of focus on these categories in each country, depending on the level of economic development and effectiveness of public education.

In India and mainland China, contribution towards primary education and adult skills development continues to be a major focus. In Japan, Hong Kong, Singapore and Taiwan, there is a greater degree of emphasis on investment in university education and special needs education, as well as on investment in primary and secondary education in less-advantaged countries.

**Increasing Rural Educational Access in Thailand.**

Mechai Viravaidya, founder of the Population and Community Development Association, started the Mechai Pattana School to give rural children a free, high-quality education.

**Skills Development in China.** Dr. Lee Shau Kee, the founder of Hong Kong-based Henderson Land, has contributed intensively to skills development training for villagers in China, with a special focus on skills relating to the medical and infrastructure development sectors.

**Supporting Science and Mathematics Learning in**

**China.** Morningside, Ronnie Chan’s private family business, established The Morningside Center within the Chinese Academy of Sciences to promote intellectual exchange

between young Chinese mathematicians and acclaimed mathematicians from around the world. They have also established prestigious mathematics awards and organize symposia regularly. To support needy students at top universities in China, scholarships are provided by Morningside as well.

**Technology-Based Learning in Philippine Secondary School System.**

In the Philippines, the Ayala Foundation is leading a non-profit consortium to bring Internet connectivity to and enable digital learning across the country’s 6,785 public high schools.

**University Sponsorship in Singapore.** Nanyang Technological University (NTU) has been the beneficiary of long-standing, regular and substantial philanthropic contributions from philanthropists. The late Dr. Lien Ying Chow was a founder of Nanyang University (precursor to the NTU) and his foundation, Lien Foundation continues to be a regular sponsor of several research initiatives at NTU, including in the water sector.

**Emigrant Education in Taiwan.** The Cathay Charity Foundation has a program to help women from other parts of Asia who have married Taiwanese residents to learn Chinese and become empowered and effective members of society.

**Music Education in Taiwan.** The Chang Yung-Fa Foundation’s Evergreen Symphony Orchestra provides a platform for young Taiwanese to cultivate musical talent and gives them an opportunity to perform.

The modes of contribution to the education sector are expanding, with traditional modes (such as financing the fees of individual students, providing grants to universities, or academic building construction) being supplemented by more strategic modes (such as creating excellence in a targeted set of educational capacities).

Modes of Contribution to Education and Skills Development			
Traditional		Strategic	
Student Centric Giving	Institutional Grants	Institutional Development	Capacity Development
This traditional model is still highly prevalent across Asia, and is used by hundreds of thousands of small benefactors to advance education within their communities.	The more established colleges and universities across Asia, ranging from Keio in Japan to Aligarh in India, rely to a substantial extent on grants from alumni and benefactors for infrastructure support.	Asia has enjoyed a long history of active development of educational institutions by philanthropists, and this tradition continues.	Families are beginning to support the strategic development of excellence in special education, teaching skills and technology driven learning.
Sunshine Trust, sponsored by 30 Sindhi Indian families, provides scholarships to needy students from the Sindhi community.	The Singaporean founder of the Lien Foundation also co-founded the precursor of Nanyang Technological University and the foundation remains an important benefactor.	The Sampoerna Foundation in Indonesia sponsors and manages a range of educational institutions and administration consulting to deliver first-class education to deserving youth.	The Cambodia International Education Support Foundation has been established by Hideo Okubo to develop teaching skills and pedagogy in Cambodia.



## The Challenge and the Opportunity

The overwhelming focus in Asia of giving to education inevitably raises the question as to whether this is the most impactful area of giving. On the one hand, education standards are rising rapidly across almost every country in Asia and governmental, for-profit and non-profit educational institutions are proliferating. On the other hand, educational challenges across the continent are still vast, especially in large population countries (such as China, India and Indonesia), and in terms of education for women in Islamic countries and special needs education in most countries other than Japan.

For some types of giving to this sector, there may be a diminishing positive impact. For example, in the nineteenth century, social visionaries across Asia began to address the pressing need to establish colleges and universities. Keio University in Japan (established in 1858) and Aligarh Muslim University in India (established in 1877) are two examples. Similarly, Nanyang Technological University in Singapore (predecessor established in 1955) was one of the first universities to serve the higher education needs of overseas Chinese. Prominent business families have played a vital role in launching and sustaining these universities.

Today, as college and university education has become more widely available, the social impact of continued giving into this sector is less clear. According to Lee Han Shih, whose family-run Lee Foundation has funded and continues to fund the university sector in Singapore: "My grandfather's generation addressed a burning problem by contributing to the university sector in Singapore. Today, we are carrying on my grandfather's tradition but, in giving so substantially to this sector, we are simply stuffing money down a pipe that is already flush with cash." Meanwhile, there is a growing need for new approaches to education like, for instance, early childhood education, which has been proven to be more efficient in generally improving education among the disadvantaged than other types of education enhancement approaches.<sup>1</sup>

Sunil Bharti Mittal, founder of the Bharti Foundation, recognizes the need for restructuring as a key component in engineering change in the education sector. He elaborates: "When the foundation started, we were more focused on the giving aspect of charity as opposed to structured philanthropy...eventually we began to start on initiatives that were more sustainable in nature, such as the Bharti Libraries. The idea was learn to read and read to learn. It was a small investment but to my mind, the impact was very large."

<sup>1</sup> UBS Optimus Report

According to Kanti Prasad Bajpai, an expert in international affairs, and previous Headmaster of the prestigious Doon School in India: "there continues to be a massive need for investment in education across Asia. But families that want to contribute to the sector need to think more strategically. They need to consider where needs are not being met by the government, by the for-profit sector and by the non-profit sector, and then need to fund into these needs. There is still a massive need for financial contribution to skills development for rural uplift, teacher training, special needs education, technology-driven education and entrepreneurship and innovation for improving lives at the bottom of the wealth pyramid."

## Religion

The role of religion as a sector for family giving in Asia has unique characteristics. Our research confirms that, for many philanthropists in Asia, their motivation to give is strongly determined by their religious beliefs. A number of our interviewees confirmed that, even though they were not religious in a conventional sense, their motivation to give was strongly inspired by their religious beliefs and upbringing. Dato' Ruby Khong, a prominent Malaysian philanthropist, refers to Buddhism as an inspiration to her giving: "What drives me is my Lama's teaching about giving. He always says: 'Be different, be altruistic. Be strange, work for others in response to their harm. Raise eyebrows, be generous without agenda.' Having spent the first half of my life seeking fun for myself, I have committed the rest of my life to practicing this teaching."

### Giving and Religion

#### From Inspiration to Religious Causes

**Thailand** The Chearavanont family is one of the richest families in Thailand, and their philanthropic activity is substantially informed by their Buddhist faith. The family has built or restored more than a dozen Buddhist temples in Thailand. The family also supports education and child welfare across the country.

**Indonesia** *Zakat* (contribution of 2.5% of one's wealth to charity) is one of the core principles of the Islamic faith. In Indonesia, institutions such as LAZ Bank BNI and Dompet Dua'fa collect zakat from wealthy Indonesians. The funds are utilized for the benefit of less advantaged Indonesians for causes such as the advancement of education (including religious education), health and welfare.

**China** Philanthropist Mr. Huang Rulun feels compelled to engage in philanthropy through a deep belief in Buddhism. Principles such as "if you do good deeds, your descendants will be blessed" inspired him to found the Fujian Jiangxia Charity Foundation, which is committed to the advancement of impoverished Chinese farmers.

## Dato' Ruby Khong

### Religion as an Inspiration

The director of an international petroleum company in Malaysia, Dato' Ruby Khong descends from a prominent family in Penang. Although the tradition of giving has existed in her family since the generosity of her great-grandparents, she was personally inspired to become involved in charity work through her Buddhist convictions.

As a child of privilege, Dato' Ruby was bothered by the adversity in the lives of the poor people she observed outside temple doors in her hometown, but was impressed when she saw a Hare Krishna giving out food to them. This experience led to her funding His Eminence Tsem Tulku Rinpoche, her spiritual guide, during their first meeting in India to make food donations. His Eminence, in turn convinced her to start giving directly to the impoverished.

Because of this advice, she helped start the Kechara Soup Kitchen (KSK) as a way to have a direct channel to helping the needy. While the effort has been religiously motivated, KSK works in such a way that it does not discriminate with regards to who benefits. Rinpoche had only one request: "if you are

going to feed the hungry, feed without discrimination of race, age nor gender. No talk about religion, no talk about politics." After being featured in the media, donations started pouring in from Malaysians who wanted to help. Gradually with the expansion of the kitchen's operations, the organization has been able to find employment for 60 people, and help thousands of others receive food from the kitchen.

Dato' Ruby believes that giving is not just about putting food in people's hands. "It is to give them hope, to let them know that someone cares. It goes beyond the physical and tangible context. For me, I think we shouldn't focus on food but rather what the packet of food represents...for someone who has been on the streets for that long, they have very low self-esteem. Hundreds of people walk past them every day and nobody even notices that they exist. After a while it really eats into them and it kills the human spirit. So we ask that our volunteers stop to have a chat with them, or give them food with two hands and a smile. For me, my philanthropy work is not just about giving money or food. It is about giving hope and care, and a second chance at finding happiness in life."

Nevertheless, our survey also indicates that the level of contributions by family philanthropies directly to religious institutions and causes is remarkably low. This situation is in dramatic contrast to individual and family philanthropy in the United States, of which 33% (over US\$ 100 billion) flowed in 2009 to religious institutions and causes.<sup>1</sup> Overall in Asia, only 2% of contributions made in 2010 and expected to be made in 2011 are directed to religious institutions and causes. Moreover, our findings do not vary dramatically across our target countries.

Our findings do not necessarily indicate that religious institutions and causes are deprived of funds. In parts of Asia, especially Indonesia, the Philippines, Singapore and Taiwan, religious institutions are large and are generously funded by individual and family donors.<sup>2</sup> Moreover, in some countries there appears to be a widespread disinclination to report on giving for religious causes, due in part to concerns regarding ethnic and sectarian discrimination.

### Percentage of Giving from Family Philanthropies to Religious Causes



<sup>1</sup> Giving USA 2010 – Executive Summary. p.8

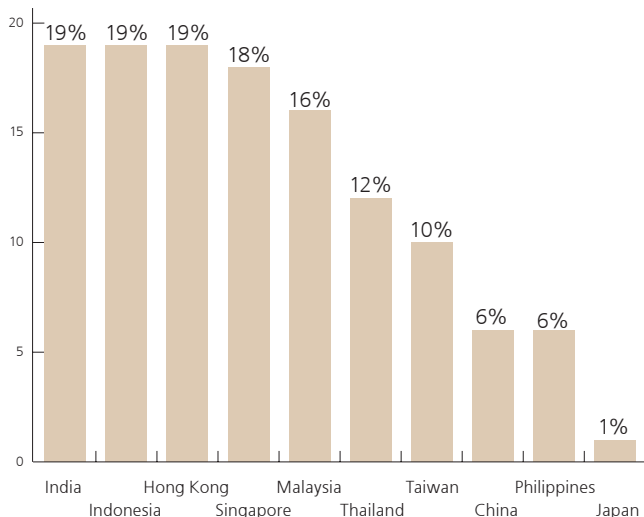
<sup>2</sup> Asia Pacific Philanthropy Consortium 2001: "Strengthening Philanthropy in the Asian Pacific: An Agenda for Action", Conference Report. p.7

Donations to religious institutions in Asia seem to flow from both small and large donors who contribute on an episodic, unstructured basis. Families that have taken up philanthropy on a systematic, structured basis, while often inspired to do so for religious reasons, tend to have a distinctly non-religious orientation in their focus of giving. Also, structured contributions that are made to religious organizations are often earmarked for other causes like poverty alleviation or health services, as channeled by the religious organization.

### Poverty Alleviation and Development

The direct contributions by our survey respondents to poverty alleviation and development have been growing. Across the region, our survey respondents will devote 12% of their philanthropic giving this year directly to such causes.

#### Giving from Family Philanthropies to Poverty Alleviation and Development (% of giving, 2011 projected)



In actuality, the relative contributions by families in Asia to poverty alleviation and development are greater than as indicated in the foregoing chart, as contributions to education, health and other causes also impact poverty alleviation and development.

Nevertheless, several factors constrain the capacity of families in Asia to make systematic contributions to poverty alleviation and development. In Japan, Singapore and Taiwan, the scope for contribution to this sector is limited on a domestic level. This is due to the relative prosperity of domestic populations. Not surprisingly, as indicated in the graph "Non-Domestic Giving by Philanthropies" (see page 25), philanthropists in these three regions have the highest level of giving to non-domestic beneficiaries among those participating in the study.

Elsewhere, private contributions by families play a highly subordinated role to governmental programs, official overseas development assistance and contributions by foundations based in OECD countries.

Family philanthropies find it difficult to work directly with government agencies, which are generally not geared to working with funding sources other than governmental, or bilateral and multilateral organizations. Before Mr. Wender Yang set up the Hima Foundation in Taiwan, he tried to work with the government, however the limited efficiency and effectiveness of the bureaucracy involved made it a very difficult process. As a result, he decided to set up his own foundation.

However, private-public partnerships are beginning to form, which offer some early channels for private sector contributions to the development agenda. Indeed, recognizing the power of governmental involvement, some philanthropies (such as the Ayala Foundation in the Philippines) strategically undertake major initiatives using social consortia which involve government agencies.

Hong Kong and Chinese philanthropies commonly partner with Chinese governmental organizations, one reason being that it is difficult to have officially-recognized operations in China without establishing such partnerships. Official recognition allows for more cooperation and trust on the local level, as well as the possibility of being granted tax exemption status. A comprehensive Charity Law is currently under review, which would define the process of official recognition and tax exemption for non-governmental organizations (NGOs) much more clearly.

Development-focused NGOs also only provide a limited channel for private sector philanthropy. Of the total of over US\$ 100 billion in overseas development assistance, about one third makes its way to Asia: most of this is channeled through governments, but an increasing segment is channeled through domestic and international, development-focused NGOs. Such NGOs are also recipients of contributions from overseas foundations such as the Ford Foundation and the Bill & Melinda Gates Foundation.

In many instances, these NGOs have become channels for the often-changing development priorities of their three major donor groups. From the perspective of many of these NGOs, systematic cultivation of funding support from domestic family foundations is difficult and uncertain. From the perspective of domestic family foundations, these NGOs either emphasize domestic governmental agendas or internationally controlled priorities that make them inadequately responsive.

However, there is a vast opportunity for family philanthropies to participate more meaningfully in poverty alleviation and development and it appears this is beginning to happen.



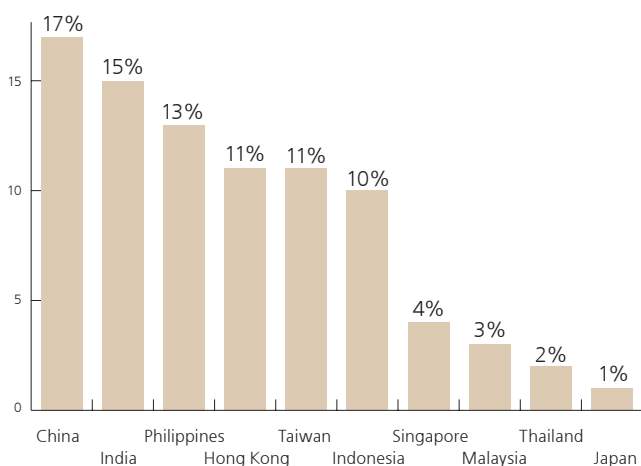
While poverty alleviation and development requires large amounts of sustained funding that is beyond the scope of single family foundations and usually even groups of such foundations, there is considerable room for families to play a catalytic role in addressing emerging problems and funding innovative new solutions and innovative new models of giving. As individuals and families are able to move much more quickly than governments or often even multi-laterally driven NGOs, they can act as the advance guard of poverty alleviation and development by providing seed funding and supporting pilots and funding self-sustaining models. Jack Ma, CEO and creator of the first Chinese e-commerce website, uses a microfinance approach to support poverty alleviation in a sustainable manner. He believes that innovative approaches to solving these kinds of social problems are the appropriate strategy for today's world: "The 21<sup>st</sup> century is the time for a new commercial civilization, the content of which is openness, sharing, responsibility and globalization."<sup>1</sup>

## Health

Health-related causes generally receive strong support from family philanthropies across Asia. Overall, 9% of contributions to be made in 2011 will be directed to health-related institutions and causes.

<sup>1</sup> Renminwang, "Alibaba: E-commerce's Magnifying Effect on Social Business" <http://it.people.com.cn/GB/42891/42898/10745469.html>

### Giving by Family Philanthropies to Health-related Causes (% of giving, 2011 projected)



Philanthropists support a range of health care issues, from basic health care to specialized needs. They contribute to skills development for medical personnel, facilities for health services, and funding for the provision of specialized medical care for those that need it.

In the realm of skills development, there are a number of examples. Dr. Lee Shau Kee's Warmth Project has been responsible for training and mobilizing 11,000 health care workers in rural areas of China. These workers have played an instrumental role in raising the overall standard of basic health care and quality of life in their communities in a sustainable manner. The Population and Community Development Association, founded by Mechai Viravaidya in 1974, has mobilized social workers to promote awareness regarding AIDS, family planning and other health-related topics in communities across Thailand.

As in other parts of the world, the decision by families in Asia to support health-related causes is in some cases linked to personal challenges and experiences. The world-famous Jaipur Foot is one such example. In 1969, Mr. D.R. Mehta met with a serious car accident in which his leg was crushed. Although surgeons succeeded in saving his life, the accident opened Mr. Mehta's eyes to the plight of over one million amputees in India. Six years later, he started a philanthropy to address this challenge: Jaipur Foot. Today, it draws individual, family and institutional funds from across the world, while it continues to be very actively managed by Mr. Mehta. Jaipur Foot is the world's largest provider of prosthetics, polio calipers, crutches, amputee cycles and prosthetic care. It has developed its own low-cost technology and now partners with NASA and Stanford University to further drive innovation.

Government agencies are commonly beneficiaries of health-related donations, and involved in the operational aspects of related projects. The Chinese Red Cross Society is involved in a large amount of such projects on the local and national levels: Mr. Niu Gensheng, founder of Mengniu Dairy and the Lao Niu Foundation donated to the Hohhot Red Cross to support the treatment of leukemia. (Hohhot is the capital of the Chinese province of Inner Mongolia.)

Health-related donation is often an aspect of larger development initiatives. For example, Dr. Lee Shau Kee's Warmth Project involved projects to train health care professionals and provide safe drinking water, but also encouraged community economic development through career training and job placement.

Given the range of challenges facing the healthcare sector across Asia and the pace of innovation in the sector around the world, there is a huge potential for family philanthropists to play catalytic roles in disseminating best practices and piloting scalable new models for the sector.

## Eddy Sariaatmadja

### Supporting a Healthy Society

Eddy Sariaatmadja, an Indonesian philanthropist, has built his success through media and software companies, as well as through palm oil and rubber plantations, and chooses to apply his business success to solving the social problems facing his country. His daughter is a direct inspiration for the area of charitable giving to which he contributes heavily: health care.

She was born with a very low birth weight, and the experience he had with the public and private health care systems led to his decision to make a difference in the sector, on a national level.

While Mr. Sariaatmadja does not give through a formalized foundation, he generally channels his giving in the health sector through a standing partnership with the University of Indonesia and other institutions.

Part of the partnership is centered on eye health, specifically, treatment and research regarding cataracts.

With Mr. Sariaatmadja's support, the University of Indonesia and other institutions have performed large numbers of cataract surgeries on those who could not otherwise afford it, and brought members of its hospital staff to localities

around Indonesia to train eye specialists in the latest cataract treatment techniques.

Research activities have included a study on cataracts in urban centers across Indonesia, as well as supporting PhD candidates for pediatric and heart research.

In working with eye specialists from Cicendo Eye Hospital Bandung, Mr. Sariaatmadja has donated medical equipment to the hospital and has also been sending its teams to different needy communities across Indonesia to perform free cataract surgeries, treating thousands of people who could not afford to have the treatments.

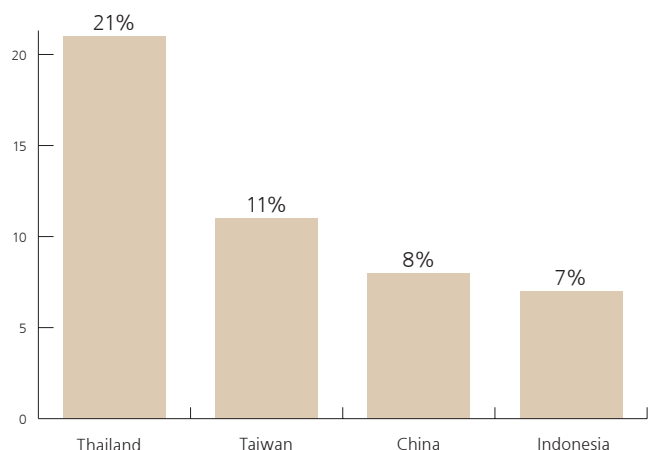
Apart from eye health, Mr. Sariaatmadja has lent support to other important initiatives in health-related areas. He has been supporting free medical camps in slum areas in Jakarta and surrounding areas. He has facilitated the building of clinics and toilets in areas where prostitution is localized, provided free medical examinations and treatment in impoverished regions, and raised awareness for blood donations. He is also planning to establish a Center for Excellence in Health, which would be initially funded by Mr. Sariaatmadja and his companies through corporate social responsibility channels.

## Disaster Relief

Overall among Asian philanthropic families, funding distributed for disaster relief made up 5% of contributions in 2010. It was an especially important cause for Thailand, where at least 21% of contributions made by family philanthropies went to disaster relief. Response to floods across the country in 2010 may be a large factor in this statistic.

Disasters are sudden, unexpected and require large amounts of resources in a short amount of time. Individuals and families across Asia have contributed strongly to the spate of natural disasters that have recently affected the continent.

## Giving by Family Philanthropies to Disaster Relief (% of giving, 2010)



## Disaster Relief, Philanthropy Stepping in

**Indonesian Tsunami (2004)** More than US\$ 7 billion was donated from countries all over the world, including US\$ 200 million in private US donations. Lily Kasoem's Titian Foundation was founded to support the rebuilding of villages destroyed by the tsunami, and has since contributed to other disaster relief projects in other parts of Indonesia.

**Sichuan Earthquake (2008)** After the quake, philanthropists from Hong Kong (Dr. Lee Shau Kee, Mr. Ronnie Chan), mainland China (Mr. Niu Gensheng, Mr. Huang Rulun, Mr. Yeung Kwok Keung), and Taiwan (Dr. Chang Yung-Fa and the Cathay Life Insurance) made significant donations to disaster relief. The Chang Yung-Fa Foundation rebuilt five schools and eight clinics. Dr. Lee sent doctors from his private hospital to help victims in Sichuan, and many of his employees and senior managers contributed to relief projects. The Lao Niu Foundation built a home in Sichuan for orphaned populations, in particular children, the elderly and the disabled. The home provides them with accommodation, education, and medical rehabilitation.

**Japan Earthquake, Tsunami, and Nuclear Disasters (2011)** As of April 2011, US\$ 1.4 billion has been donated to disaster relief. US\$ 122.5 million came from Softbank Group President Masayoshi Son as well as the rest of his earnings until retirement. US\$ 4.8 million and US\$ 3.9 million were donated through the mainland Chinese and Hong Kong Red Cross Societies in the month after the disaster, respectively. Dr. Chang Yung-Fa personally donated one billion Japanese Yen.

On the whole, disaster funding is gathered on a relatively short-term basis but helps lead to the development of the operational sector. The Indonesia tsunami response led to the creation of a stronger NGO sector; this year 62% of family philanthropic donations in Indonesia went to local and national NGOs, the highest percentage in the Asian region. 60% of these NGOs were created in the last three years, marking a growing trend for the sector. The Sichuan earthquake has had similar results in China; 29% of philanthropic donations went to NGOs last year when previously the operational sector had been dominated by government organizations.

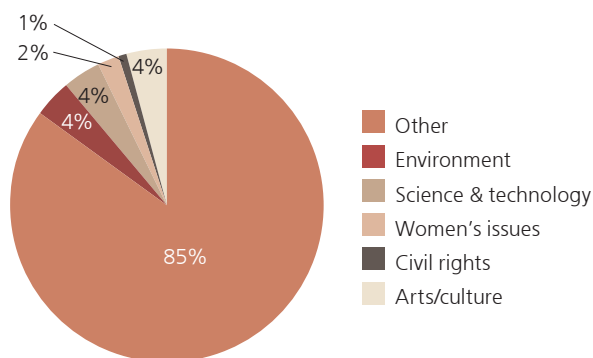
Still, in China most officially recognized NGOs are closely tied to or indirectly run by a government agency. The Red Cross Society of China, which shares leadership with the Chinese government, received more than US\$ 879 million in donations for the Sichuan earthquake in 2008–2009, a large portion of total donations. One exception is Yeung Kwok Keung's response to the Sichuan earthquake, which was comprehensive in its approach, longer term and largely self-operated.

## Emergent Sectors

There are a handful of other sectors that are not uniformly represented across Asia, but are nevertheless important emergent causes in certain countries.

### Giving to Emerging Causes Across Asia

(% of giving, 2010)



### Emerging Causes: Top Countries for Giving

(% of giving, 2010)

Environment:	Philippines 12%, India 9%
Science and technology:	Japan 23%
Women's issues:	Japan 4%, Philippines 4%, India 4%
Civil rights:	Hong Kong 4%, Indonesia 3%
Arts/culture:	China 10%, Malaysia 5%

On the whole, contributions to these sectors are small in comparison with contributions to other sectors, but such contributions signal the gradual emergence of causes that have already acquired prominence in other parts of the world.

There is a distinct generational dimension to the embrace of these emergent causes. Members of the older generation tend to feel that these emergent causes take away from the foundational work still to be done in the areas of education, poverty reduction and health care access. Members of the younger generation feel that there is immense value in addressing needs in sectors such as the arts and culture, animal welfare, environmental protection and civil rights.

## Emergent Themes

### Arts and Culture

The Khattar family is an integral part of the Singaporean philanthropic and social scene, and is active in philanthropy both through volunteerism and financial support. The patriarch, Sat Pal Khattar, has generally focused on the advancement of education and other public causes including the development of cooperatives. His daughter, Shareen, also active in education, also focuses very strongly on supporting the arts and culture.

"I respect what Shareen does," notes Sat Pal Khattar, "while I continue to believe my efforts are best devoted to advancing education and economic development. At Shareen's prompting, I will contribute a modest amount to advancement of the arts and culture, but she is directly responsible for raising much larger amounts for such causes." Ronnie Chan in Hong Kong also supports arts and culture through the philanthropic unit of his family business. His restoration of a Qing

dynasty-era compound in the Forbidden City preserved an important cultural and historical artifact for generations to come.

### Support of Civil Rights and Advocacy

Outside of India, families are quite reluctant to support causes relating to civil rights and advocacy. According to one Hong Kong based professional: "there is a great reluctance by philanthropists to fund causes relating to civil and political rights and advocacy because these matters could get one afool of government." But the younger generation is distinctly different in this regard and is much more willing to take on such causes.

In Thailand, the support by individuals and families for civil rights advocacy has been steadily growing and advocacy groups are beginning to become more vocal and collaborative. In March 2011, a coalition of 50 civil

rights groups submitted a report of documented abuses to the Thai Human Rights Commission.

### Protecting the Environment

Our interviews indicate that members of the younger generation appear to be far more passionately committed to environmental causes than members of the older generation. It is likely that the voice of the new generation on environmental matters will break through in the coming years. "After all," as Lisa Genasci of the Hong Kong-based ADM Capital Foundation noted, "it's not that members of the older generation do not support environmental causes, it's just that they often view education and poverty alleviation as being more important." In Malaysia, the youngest son of the Sultan of Pahang is deeply committed to environmental causes. Inspired by this passion, his parents have now established a major nature reserve in the State of Pahang.

The importance of emergent causes is underscored by globalization: younger generation members coming back from studies in Western countries, intensive media reporting on environmental issues and the uptake of such causes by philanthropies based in the West are some of the factors that are likely to accelerate the espousal of such causes in Asia.

In addition, country-level drivers play a very important role in the degree of adoption of emergent causes. Japanese philanthropists have made remarkably large contributions to science and technology. This may reflect the prominent role of technology in their industries, as well as the importance they place on innovation as a means to revive a suffering economy. This is a more holistic education / employment strategy than, for example, that of Singapore (with 2% of contributions to science and technology giving.)

More classically liberal political systems in India and Hong Kong have led to some support of civil rights: vigorously in India as an aggressive rights movement seeks to use the legal system to break centuries old barriers that have held down large segments of the population in trappings of caste and class, and somewhat more cautiously in Hong Kong as the citizens of the special administrative region seek to define the balance between the rights of the state and the individual within their own political context.



## Refugee Philanthropists

### Enabling the Contributions of Women

The experience of being a refugee during the period of political upheaval in South Asia in the late 1940's has had a profound impact on communities that emigrated from the area that is now Pakistan and India and later to other parts of the globe. That experience has encouraged some of the emigrant communities to pursue philanthropy for the benefit of those members of society who are marginalized or victims of circumstance.

One group that participated in this survey emphasizes women's empowerment, particularly in areas which observe a strict version of Islam where few opportunities are available for women outside the home. This group believes that as a significant proportion of the population, women can make a significant contribution to the well being of their families and to the larger community. This group supports women's education and health-care as a way of empowering them and also as a method of fostering community development.

One problem that results from this approach, however is that the women who receive an education in this environment tend to leave their communities for the cities due to a lack of opportunity for satisfactory work in the countryside. One way of addressing this issue, the group believes, is by providing micro finance to projects which fund entrepreneurial ideas and encourage newly educated women to stay in their communities. The resulting income is then channeled back into the communities, promoting social harmony, and improving the overall livelihoods of all.

## The HIMA Foundation

### Green Philanthropy

Mr. Wender Yang is one of a small number of Asian philanthropists who focus on environmental issues, which he positions in the context of poverty alleviation and community development. Mr. Yang focuses mainly on combating desertification, and its effects on communities in the outer regions of China. He is trying to recover the lost kingdom of Loulan in far western China, once an important node on the Silk Road, and to find traces of this mysterious ancient culture between East and West. The kingdom was slowly engulfed by the Taklimakan desert 2000 years ago. Today the shrinking numbers of inhabitants in the region are finding it harder to make a living, as the encroaching sands have claimed land that was once used for agriculture.

Through measures like large-scale tree planting, the HIMA foundation is both combating desertification and providing sustainable livelihoods to the local population. The foundation re-introduced indigenous plants like dogbane and licorice, which are better suited to the local conditions than non-native transplanted crops that damage the already fragile soil. Mass planting of these trees halts the advance of the desert by rooting the topsoil in place.

Meanwhile, Mr. Yang is trying to publicize the message of environmental protection to as wide an audience as possible. This is achieved through initiatives like the 2011 Million Trees Campaign, where the HIMA Foundation sponsored the planting of one million trees in 100 cities around the world, and through newer avenues like an environmentally-themed video game which the foundation is co-developing.

Mr. Yang's wife is also involved, and has developed computer skills to assist in the marketing side of the organization. His daughters plan to be involved in the foundation after finishing their education. The HIMA foundation's philanthropy is what inspired them to pursue studies in ecology.

## Soichiro Fukutake

### A Testimonial to Promoting Culture and the Arts

"The wealth generated from business activities should contribute to society" believes Soichiro Fukutake. An idea that is nothing special or nothing new but that maybe, regrettably, too few Japanese corporations understand. Based on this belief and on the conviction that businesses should serve to improve communities, including through culture, Mr. Fukutake launched the Naoshima Project. An initiative that also traces its roots to his father's vision for society and dreams.

Soichiro Fukutake reflects: "My dream is to create a paradise filled with the laughter of the elderly. As a consequence of Japan's industrialization, the aging population in Japan is concentrated in under populated areas, including in Naoshima and its neighboring islands on which my philanthropy is focused. These islands also faced challenges of their own: The sulfur dioxide gas damaged crops and trees on Naoshima, industrial waste was found on, Teshima, and Oshima being the location for a facility for Hansen's disease patients.

I attempted to transform these small islands into a centre of contemporary art. The means to achieve the dream had to be contemporary art, because each work of contemporary art has an underlying message connected to the issues, challenges, and the contradictions of modern society.

You can't display contemporary works of art in big city jungles like Tokyo or New York, where the city itself is packed with its own issues and contradictions. Naoshima was therefore an ideal location to build my dream. The island is surrounded by the Seto Inland Sea, the first national park in Japan, and also a place where my father wanted to open a camping site.

While I was working on the Naoshima project, I came to realize that contemporary art has the power to revitalize under populated areas. Revitalization is made possible by attracting young tourist to the island through the art and involving the elderly residents in explaining the art. Through this process, I witnessed the elderly become cheerful and I could feel that Naoshima was delivering happiness to its people and visitors.

I would like to share a message with the rest of the Asia: Today, the region is undergoing radical economic development. Do not follow the same mistakes Japan made in the past. In the pursuit of becoming an economic power Japan destroyed part of its culture and created a toxic legacy as I discovered in Naoshima. Putting too much focus on the economy jeopardizes culture. China in particular is in my thoughts. China has one of the most marvelous cultures in the world. I do hope that China builds a system where business serves as an infrastructure to maintain its beautiful culture."

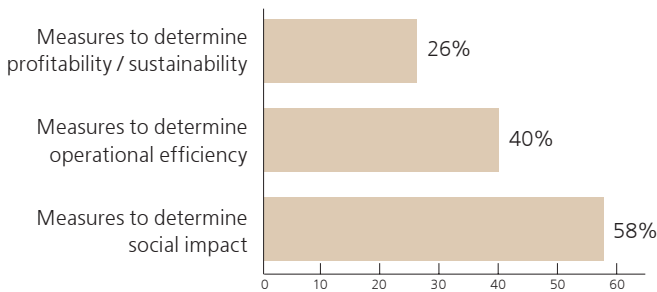


**Impact**

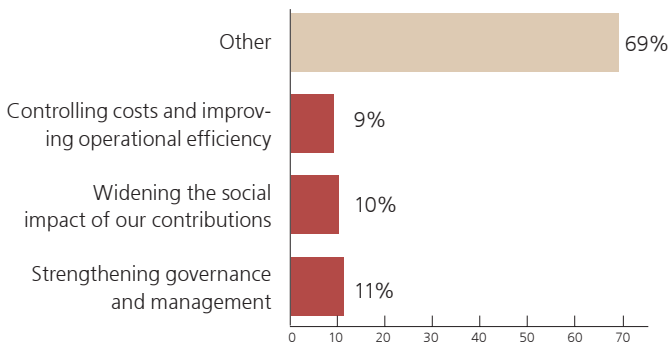
In examining social impact as a driver for family giving across Asia, one obtains a decidedly mixed picture.

On the one hand, our survey respondents appear to both (a) utilize to a reasonable extent social impact measures of performance and (b) do not rank achievement of social impact among the top three challenges that they will need to address in the future. This would imply that social impact measures are being used, and that family philanthropies are satisfied with the impact they are making.

**Performance Measures: Percentage of Respondents Checking "Important" (2010)**

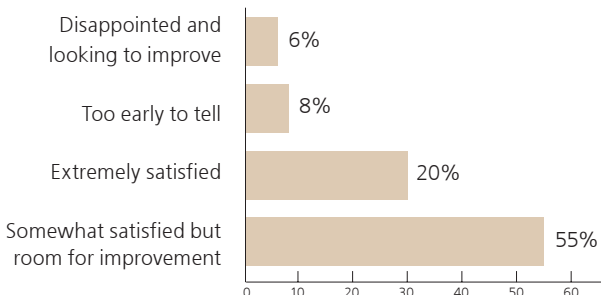


**Family Philanthropy Future Challenges – Impact-Related in Red (% of No. of respondents, 2010)**



On the other hand, there is clearly a sense that there is considerable room for improvement in terms of achieving social impact:

**Satisfaction with Impact on Causes Being Supported (% of respondents, 2010)**



Our discussion with family philanthropies indicates there is a duality in terms of how the question of social impact is viewed.

It appears that the older generation of philanthropists view social impact as an important measure of good governance for their philanthropic activities, but do not necessarily view it as the critical driver for their activities. For the older generation, contributing to the community and funding worthwhile causes such as education are worthwhile ends in themselves, and they feel that impact is made in a general sense when peoples' lives are improved. In their perspective, the precise social impact of such activities and the social return on their investments are neither susceptible to appropriate measurement nor the most important determinant of their philanthropic activities. Chew Kwee San of the Tan Chin Tuan Foundation in Singapore describes his grandfather's concept of philanthropy as in the traditional English way: "Giving to those people who needed the basic articles of survival...he wanted to focus on essentials that would help people improve their lives."

A younger generation of philanthropists is emerging that sees matters quite differently. Laurence Lien, a third generation board member of his Singapore-based family philanthropy, decided that simply giving in the traditional way was not good enough. He has helped lead the transformation of his family philanthropy as an impact-oriented organization focused on key issues such as water and sanitation, eldercare and pre-school education. Moreover, he determined he could never have sufficient social impact simply as the head of a private foundation. He now also heads Singapore's National Volunteer & Philanthropy Center, the country's national organization for driving volunteerism and philanthropy. Azim Premji, the founder of a large philanthropic organization in India, agrees that the new generation of philanthropists are more willing to become involved on a personal level: "They are spending not just money but also their time...this new generation is good for the future of philanthropy."

For this younger generation, philanthropy is most critically about social impact: leveraging one's capital, time and social standing to address substantial social challenges in a sustainable and scalable manner. Rohini Nilekani, a first-generation Indian philanthropist, describes her generation as "having no compunctions or constraints about passing the wealth on, as they themselves did not inherit...they are very innovative in how they give, and seem to have less ideological baggage...they also seem to want to see results faster." This attitude lets these younger generations explore new giving possibilities, whether focusing on a less-covered aspect of an established area like education, or being more involved in emerging areas like the environment.

Cutting across, to some degree, this generational divide is another very exciting dynamic. Both traditional business groups (such as the Ayalas in the Philippines) and relatively newer business groups (such as the Reliance Group in India) have experienced stunning success in recent years in envisioning and realizing large-scale business ventures in fields ranging from telecommunications to infrastructure to finance to real estate. Whether of old money or new money, these are the leaders of the new Asia: confident, aggressive and capable of doing things in scale.

### Emergent Impact Strategies

Some philanthropists are beginning to ask questions about the root causes of social problems and to imagine solutions that address major national problems. There is broad interest in generating social impact in a fundamental, transformative way, through innovative solutions:

*Multiplying Impact by Investing in Scale:* By focusing on one issue and devoting a large portion of available resources and capital, whether in one country or across Asia, a larger impact can be made. Niu Gensheng's Lao Niu foundation works closely with the Red Cross Society and the China Foundation for Poverty Alleviation, two of the largest officially-recognized NGOs in China, to effect poverty alleviation in China. The Lien Foundation in Singapore is investing in water and sanitation, in projects ranging from technical research, to advocacy, to public-private projects, at locations in China, Cambodia and Vietnam.

*Multiplying Impact by Investing in Profitable Companies:* Through the avenues of impact investment and social enterprise development, philanthropies can invest in businesses that will either yield dividends for the investor and have a social goal, or support a company that can eventually sustain itself with its own profits. A private foundation in Hong Kong has earmarked a portion of its funds to engage in and promote impact investing. Social Ventures Hong Kong builds capacity and provides funding over an extended period, as a strategy to ensure that grantees are able to become self-sufficient over time. The Consuelo "Chito" Madrigal Foundation also supports such organizations in the Philippines, with the goal that they will become self-sustaining; they verify this by monitoring of the organization personally and through outside auditors.

The question remains open whether and how the business pioneers of a dynamic, rising Asia will have a meaningful impact on the many social and environmental problems by which the continent continues to be beset.

### The Ayala Foundation

#### A Framework for Strategic Giving

The Ayala Foundation is one of the largest private foundations in the Philippines. Founded in 1961, the Foundation is funded by the Ayala Corporation and other companies controlled by the Ayala family, one of the leading family businesses in the country. With a principal focus on five sectors (Education, Technology and Social Entrepreneurship, Environment and Sustainability, Art, History and Culture and Community Development), the Foundation designs and operationally manages major, socially impactful initiatives in the country.

The Foundation has developed a robust, three-part framework for selecting, designing and implementing new social impact initiatives.

**Address National Challenges.** Select and design initiatives that address major, nationwide challenges that are not being adequately addressed by other actors.

**Build a Social Community.** For optimal, large-scale impact, build a 'social community' of participants for each initiative, including the government, corporate sector, experts and local activists.

**Make Leveraged Contributions.** Solicit funds at both an institutional (corporate, foundations, government) and retail (individual) level in order to leverage the Foundations' own contributions by a factor of at least 2:1 (Other Contributors: Foundation ratio).

Using this framework, the Foundation has spearheaded Gearing Up Internet Literacy and Access for Students (GILAS), a multi-sector initiative to bring Internet connectivity to and enable digital learning across the country's 6,785 public high schools. The initiative includes: Internet Labs and Connectivity (over 3,400 schools), Teacher Training (over 12,000 teachers) and Digital Content (over a dozen subjects). Participants include national and provincial governments, multinationals and private sector companies. Funding has been provided by the Foundation, government bodies, multilateral agencies, corporations and domestic and overseas Filipinos.

### Pragmatism

As in other parts of the world, pragmatic and non-philanthropic factors also drive family giving in Asia. These drivers are difficult to quantify and are less susceptible to being adequately captured through surveys and interviews. However, based on our research, it appears that some of these drivers tend to have a more distinctly Asian characteristic, while others do not.



Pragmatic drivers for engaging in family philanthropy			
<i>Asian-Neutral</i> ←		→ <i>Asia-Specific</i>	
Personal and Family Recognition	Business Interests	Community Standing	Governmental Factors
Giving is often driven at least in part by the desire for personal and family recognition. In a number of Asian cultures, some variant of the view prevails that giving becomes tainted if it is driven by personal motives or is made public. Accordingly, a substantial amount of giving in Asia is private. However, it is not clear that this duality differentiates Asia.	Giving is sometimes driven at least in part by the attainment of business interests. As in other parts of the world, in Asia this driver appears to be stronger among more recent business groups that are still working to secure themselves a strong position in their economies, and in which the founder is still driving both the business and the philanthropic effort.	The commitment to community is exceptionally strong in Asia, as is the need for individuals to have a strong standing in their communities (whether traditional communities such as socio-linguistic groups or modern communities such as alumni networks). Given the strength of the affiliation driver in Asia, we expect that at least some of this is attributable to the pragmatic desire for enhanced community standing.	Governments in Asia can have an influence over philanthropic giving in many ways. Controls over industrial policy and financial resources, corruption in some countries, domination of the development agenda in some countries and restrictions of freedom of expression in some countries, all tend to shape individual and family business and giving in many important ways. It is to be expected that philanthropy may be used as a tool to influence government actors or may flow in a direction that is least objectionable to governmental interests.
According to Chew Kheng Chuan, Chief University Advancement Officer at Nanyang Technological University (NTU) in Singapore, the consideration of personal and family recognition is an important, but by no means universal, pragmatic driver for giving to universities.	In addition to other factors, one group pursues enlightened self – interest by doing their philanthropy primarily through their business. This gives them an opportunity to position themselves with government entities and within the local communities they operate in positively, at the same time making a difference to people, by improving their lives and helping them acquire and hone new skills.	Dr. Lee Shau Kee was the recipient of the prestigious Grand Bauhinia Medal in 2007 for his public service, the highest honor given in Hong Kong.	In India, foundations often partner with government in order to not be seen as competition, according to an anonymous philanthropist.

### The Role of Government: The Case of Singapore

As with governments in much of Asia, the Singaporean government has a pervasive influence on family giving. This manifests in a number of ways:

**Government programs:** In addition to excellent public schools and education systems, the government has, on a per capita basis, the world's most extensive subsidized public housing system. In addition, the Ministry of Community Development, Youth and Sports addresses a wide range of social needs.

**Tax structure, regulations:** The Government allocates tax-free status to approved charities and provides substantial tax deductions to businesses that make contributions to approved charities. The registration of charities is tightly controlled: for instance, it is very difficult to register a philanthropy that will conduct most of its operations overseas. Tax benefits are tied to registered charities.

**Match-funding initiatives:** A substantial portion of family donations are drawn to the university sector through government match-funding initiatives that enable leveraging of contributions by such families.

**Facilitation bodies:** The National Volunteer and Philanthropic Centre is a well-funded and effective government-sponsored body that promotes and coordinates volunteerism and philanthropy.

**Cause promotion:** Government agencies and government-controlled companies will promote targeted causes and encourage the private sector to contribute to such causes as well.







# The State of Institutionalized Family Philanthropy in Asia

## Principal Insights:

- The professionalization and institutionalization of family philanthropy across Asia is relatively recent and this development has not caught up with the rapid pace of wealth creation across the continent.
- Principal challenges to the development of a much larger and more effective sector include:
  - Need for more effective, scalable and transparent implementation partners.
  - Need for greater collaboration and pooling of resources.
  - Need for more professional management at the philanthropy level.
  - Need for more training institutions and sharing of best practices.
  - Need for more facilitative and even-handed government regulations and policies.
- Many family philanthropic initiatives are still strongly intertwined with family business. This intertwining of business and philanthropy has both positive elements (e.g. greater effectiveness) and negative elements (e.g. challenges in scaling).

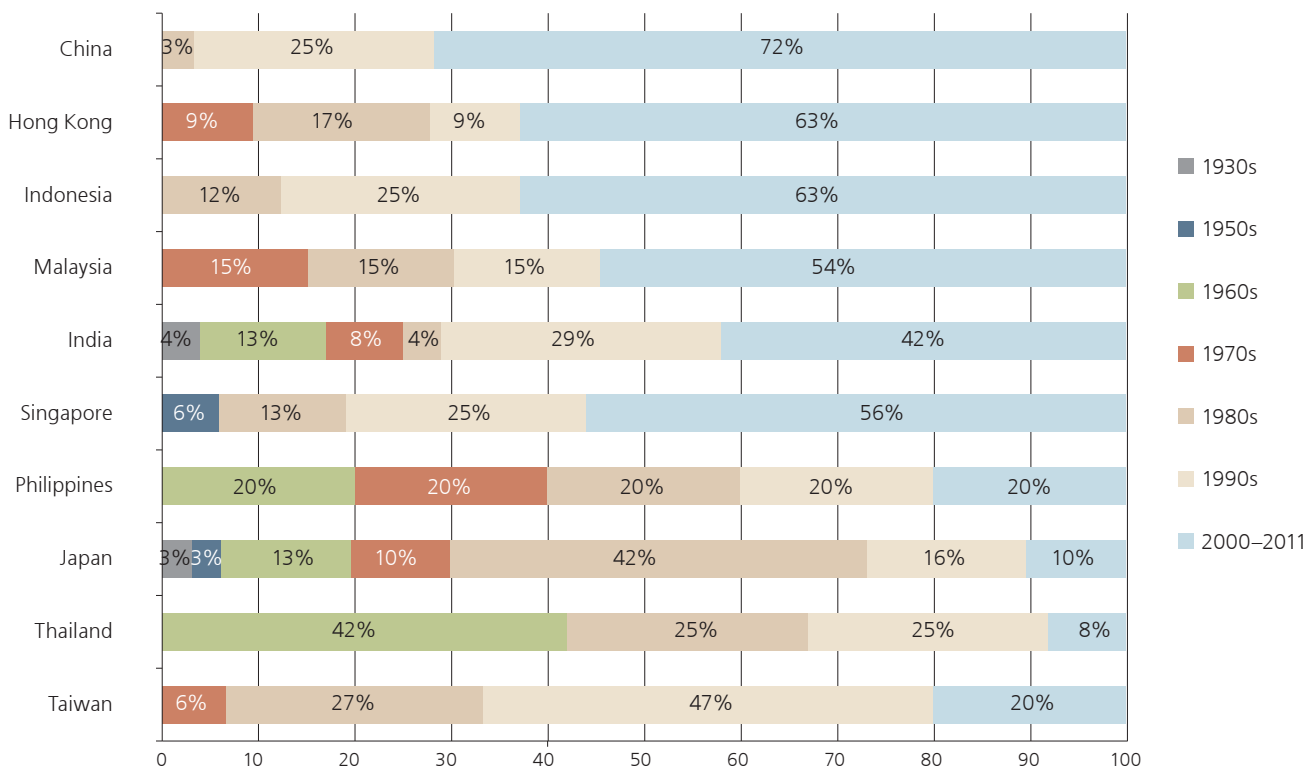
There is a strong bias in Asia towards family philanthropic initiatives maintaining operational control, rather than working collaboratively or as grant-making entities.

## Developments and Challenges

In general, the use of specialized legal entities for, or of professionals fully dedicated to, managing the philanthropic activities of families in Asia is a very recent phenomenon.

There are obvious outliers: for example, family foundations or charitable trusts first appeared in India in the 1880s and in Japan in the 1920s; and some Islamic waqfs (trusts) in India and Southeast Asia have a considerably longer lineage.

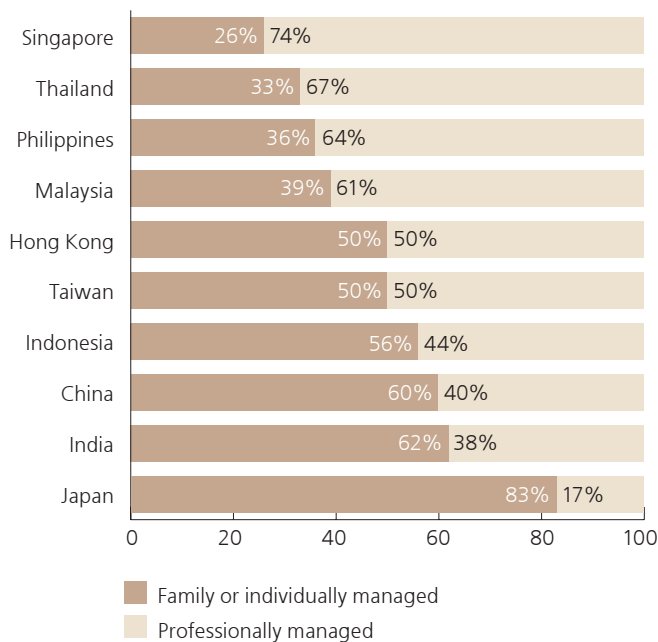
## Philanthropic Unit Decade of Establishment



Despite being a recent phenomenon, professionalization seems to be becoming a prominent trend in the region, with a slight majority of professional management among family philanthropies. On the country level, however, there is a wide disparity in degrees of professionalization:

### Management of Family Philanthropic Unit

(% of respondents, 2010)



The relative newness of institutionalized family philanthropy in Asia does not of course necessarily indicate immaturity of the sector. There are examples of family foundations that have been established relatively recently that have adopted worldwide best practice from the start.

For example, the Sampoerna Foundation, founded in Indonesia in 2001, “started out as a professional foundation from day one,” and from the beginning has targeted achieving sustainability by generating revenue streams as a socially minded business and by active management of an endowment. As a forward-looking foundation, Sampoerna actively researches global best practice as it strives to maximize its social impact.

Nevertheless, the pace of economic development and the sheer number of recently established philanthropic activities in Asia indicates the magnitude of the challenge. For example, in mainland China, private wealth formation has had a pedigree of less than thirty years: government regulation and internalization of corporate governance best practice have yet to catch up with the breathtaking pace of change in that country. According to Wang Liwei, CEO of the Charitarian Group in China, “the regulatory environment for philanthropy in China has a long way to go, however we can expect a comprehensive Charity Law to be published in China in the next two to three years...it is a game of catch-up as charity really



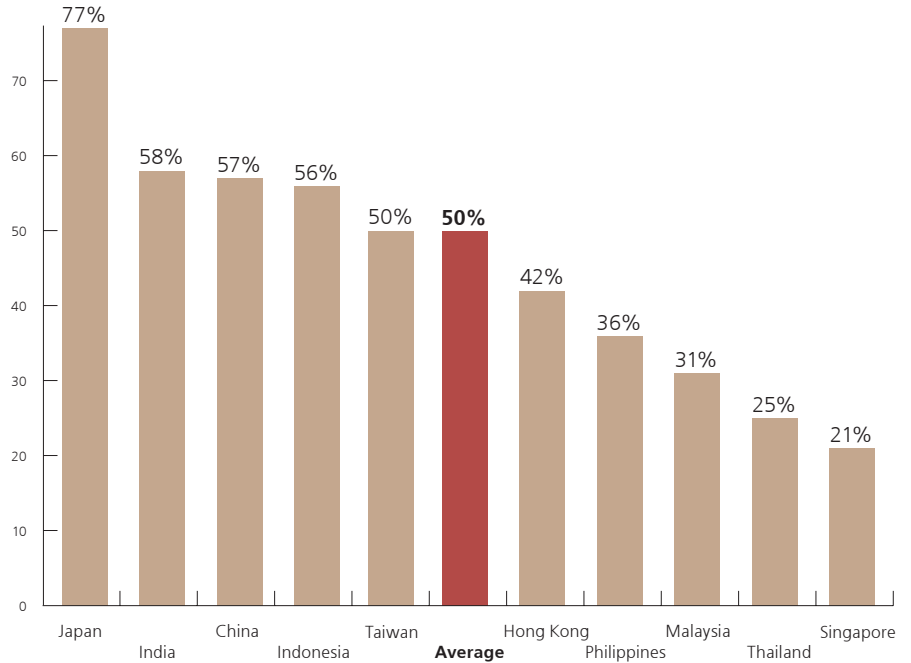
started in China in 2004 as the wealth gap widened and was catalyzed by the series of natural disasters from 2004–2008... in the meantime family-controlled companies provide the most common legal vehicle for charitable donation but this position is likely to change in the future when tax breaks are made available by law.”

The early level of maturation of institutionalized philanthropy in some countries is reflected in our respondents’ level of institutionalization, and level of continuing informality in the grantee selection process.

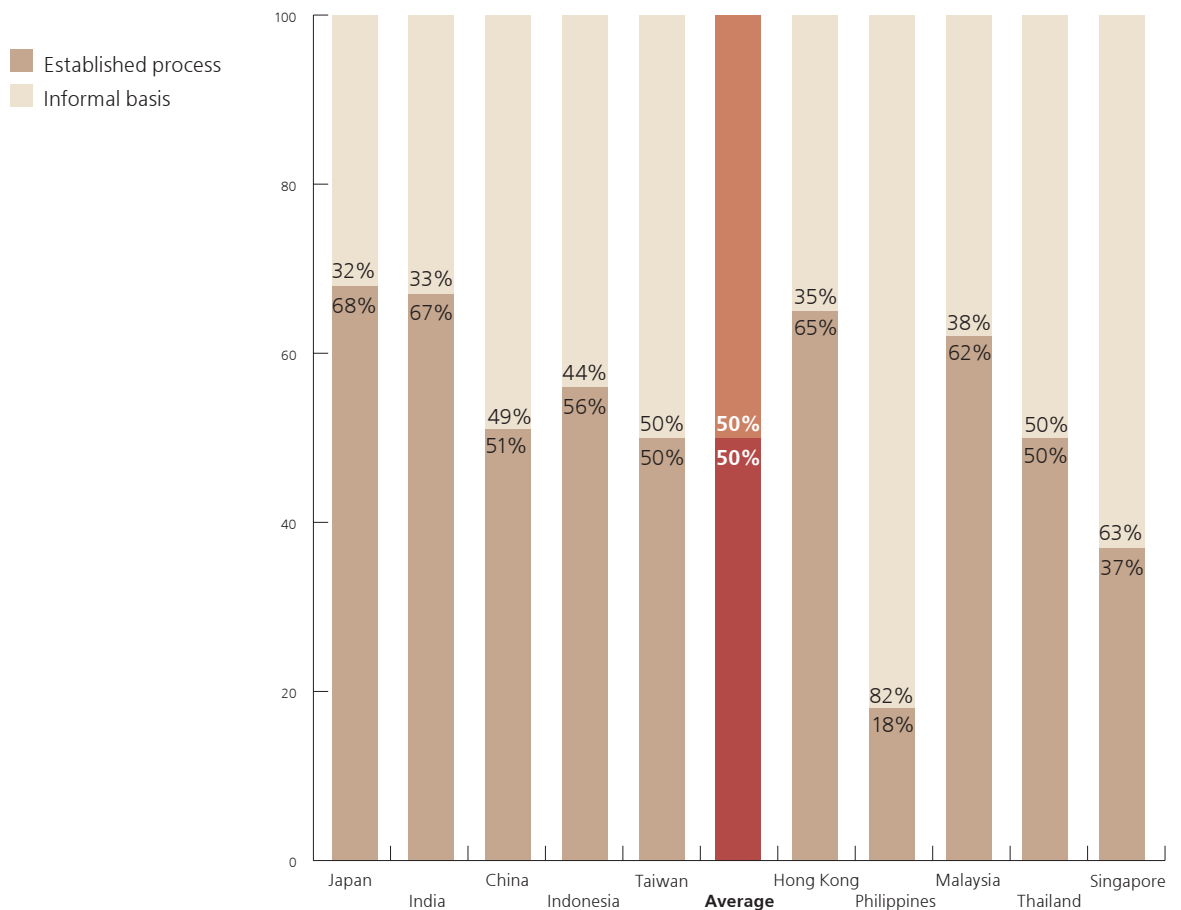


Among philanthropies that have professionalized, there is a strong correlation with formalization of the grantee selection process. This trend is less pronounced where family members are still in charge of the professional philanthropy.

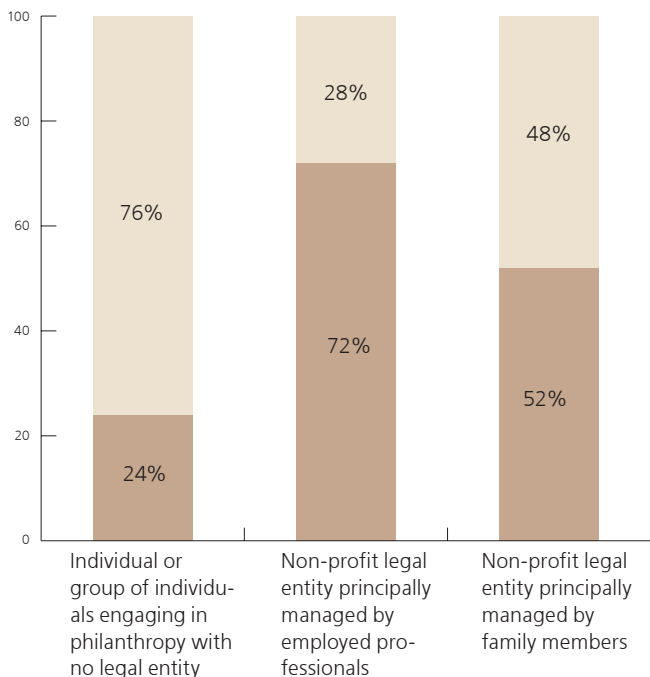
**Family Philanthropies Identifying as Non-Profit Legal Entities Principally Managed by Professionals**  
(% of respondents, 2010)



**Grantee Selection Process** (% of respondents, 2010)



**Level of Formalization of Grantee/Project Selection Depending on How Structured a Philanthropy Is**  
(% of respondents, 2010)



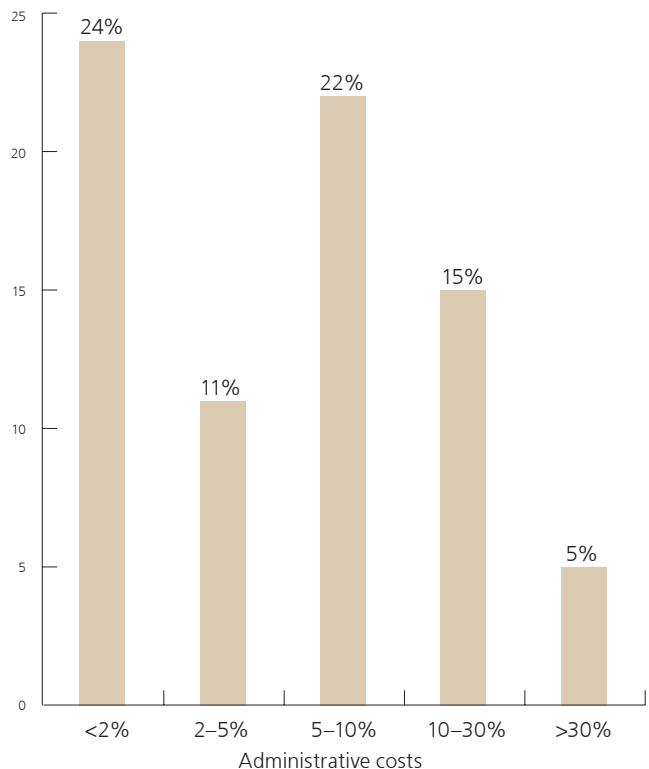
- We have clearly established guidelines and procedures for the evaluation and selection of grantees and projects
- We operate on an informal basis in terms of selecting and evaluating grantees and projects

Administrative costs among Asian philanthropies generally appear to be under control. 57% of respondents had administrative costs that were less than 10% of annual expenses. Considered in isolation, this statistic is quite impressive: in 2009, the administrative costs of the Bill & Melinda Gates Foundation were approximately 11.5% of annual expenses, while the administrative and program management costs of the more operationally-oriented Ford Foundation were approximately 17.5% of annual expenses. Given that Asian philanthropies tend to be heavily operational in orientation as discussed earlier, and that operationally oriented philanthropies tend to have higher administrative and program management costs, this statistic is even more impressive.

However, it may be the case that the relatively low administrative costs of Asian philanthropies reflect not so much an achievement of a high degree of operational effectiveness as under-investment in professionalization and institutionalization. Steve Muncy of Community and Family Services International sees this phenomenon as, “a view that funds should not be spent on administration and program management... whilst understandable and positive in many ways, the failure to invest adequate funds in these areas is also one of the more significant risk factors for non-profits – including family foundations... risks include less than optimal grant allocations, a reliance on informal rather than systematic grant decision-making processes, opportunities for corruption, and significant grant-making disruptions when leaders leave, retire, or pass away.”

The need for greater and more effective professionalization and implementation capability is perhaps the most commonly voiced refrain all across the continent. According to Anurag Behar, CEO of the Azim Premji Foundation, “the biggest hurdle to scaling up work in India is the lack of qualified people in the sector. Commitment is not missing, but they have to learn largely on their own.”

**Share of Costs Dedicated to Administration**  
(% of respondents, 2010)



### Low Administrative Costs: A Health Checklist

Are low administrative and program management costs too much of a priority in Asia? The following is a checklist, based on our interviews, of considerations to be taken into account when evaluating such costs.

- **Is there adequate investment in managing the philanthropic initiative?**

Lower administrative and program management costs should not be achieved at the expense of effective management of the philanthropic initiative.

- **Is there a focus on established grantees and programs, or on newly established grantees and programs?**

If the philanthropic initiative is focused on newly established grantees and programs, it should expect higher administrative and program costs than if it is focused on well-established grantees and programs.

- **Is the philanthropy grant-oriented or operations-oriented?**

Philanthropies that are grant-oriented tend to have administrative and program management costs that are lower than those that are operationally-oriented.

- **Does the philanthropy engage in partnering or take a solo approach?**

Philanthropies that partner with each other tend to have lower costs with greater management inputs relative to philanthropies that carry by themselves the entire burden of program selection and oversight.

### The Professionalization and Institutionalization Challenge

Based on our extensive discussions with philanthropists across Asia, the following is an informal ranking of professionalization and institutionalization challenges facing the sector (challenges are identified in descending order of importance):

- Need for more effective, scalable and transparent implementation partners. Many philanthropists in Asia feel that recipient organizations are inadequately effective, scalable and transparent.
- Need for greater collaboration and pooling of resources. Philanthropies across Asia tend to work in 'silos' and, if at all, tend to collaborate and co-contribute more with international foundations or government entities than with each other.
- Need for more professional management at philanthropy level. A common complaint among philanthropists is that there is a significant shortage of professionals who are skilled in the systematic and strategic management of resources for social impact.
- Need for more training institutions and sharing of best practices. There is a substantial vacuum across Asia in training programs and forums for sharing of best practices in relation to the management of philanthropies, social enterprises and non-profit entities.
- Need for more facilitative and even-handed government regulations and policies. Depending on the country, government regulations and policies are underdeveloped and opaque, or tend to force philanthropies to make contributions into predetermined channels.



## A Family Foundation in Hong Kong\*

### A History of Professionalism

One of the older family philanthropic foundations in Asia is also one of the most professional, with projects focused on poverty alleviation, health care and education being funded in tandem. The project sites are located across China and Southeast Asia.

Foundation employees visit each site at least once during the course of the project, and in most cases afterward to assess the impact it has had on the community. One of the main goals of the family philanthropy is to provide lasting change in increasing the quality of life for the poor and marginalized, and to this effect the head of the foundation, a hired professional from outside of the family, believes that “the best evaluation is to see the outcome.”

The foundation has a rigorous selection process for grant recipients, where sustainability, trustworthiness, chemistry with the foundation, fundraising ability, and capacity building ability are all evaluated. The board meets three times a year for updates on ongoing projects and to evaluate new applications, as well as every four to five years to access the selection procedures and adjust if needed. At these meetings, the board also examines the overall objective for their philanthropic activities, so that a clear strategy can inform their grant-making and partnership decisions.

\*Foundation and interviewee kept anonymous as per interviewee request.

## Rohini Nilekani

### Creating Self-Sustainable Philanthropy in India

Truly independent foundations that become public institutions disassociated from their founder are rare amongst today’s philanthropists. As Chairperson of Akshara Foundation, a partnership between the government and third sector organizations like Pratham, Rohini Nilekani played out what might become her trademark in philanthropy: to take ownership of a project, make it self-sustaining and then step back to allow fresh blood to take over.

Looking to learn more about what it means to be a philanthropist Ms. Nilekani also set up the Arghyam Foundation in 2001 along with two friends. Initially the foundation awarded small grants to projects in health where they felt they could have the most impact. This changed in 2004-2005 when she was able to endow the foundation from the proceeds of the sale of Infosys shares and subsequently assign it a clear mission: to focus on water and sanitation.

Ms. Nilekani has always seen Arghyam as a personal mission rather than a family project. The distinction is important to her particularly as the inspiration for the organization is very much her own and she considers its future to be as a self-sustaining, independent, foundation delivering public services.

Yet her daughter, Jahnavi, is involved in Arghyam. This is not out of “philanthropy nepotism” as Ms. Nilekani puts it, but for the analytical skills (skill and expertise) that Jahnavi acquired through her studies in the US and which she brings to strengthen the foundation. Ms. Nilekani also sees the foundation as a means for her daughter to learn the ropes about being a philanthropist.

Most importantly, her daughter’s involvement reassures Ms. Nilekani that someone trusted can continue the philanthropy tradition. If need be Jahnavi can ensure that Arghyam conforms to the philosophy under which it was set up and provide additional capital as may be required.

The recent institutionalization of family giving in most countries of Asia and the challenges facing this sector is reflected in two significant characteristics of this sector in Asia: (1) a deep interrelationship between family giving and family business; and (2) the strong bias towards establishing operationally oriented philanthropic initiatives. We discuss each of these characteristics in turn.

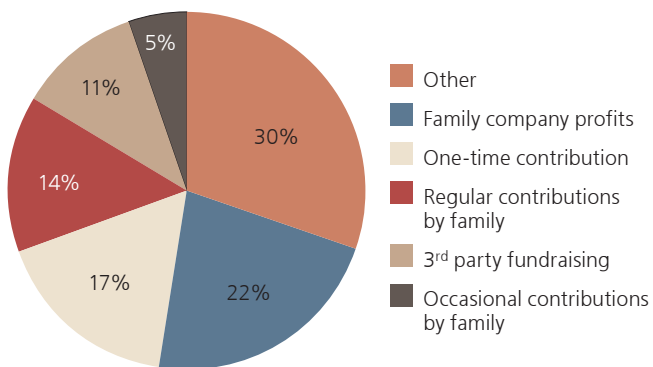


### Family Giving and the Family Business in Asia

With the exception of Japan, and to a lesser extent, Hong Kong and Singapore, business families are generally still active managers of their businesses. Most of the systematic and strategic philanthropy across Asia derives from families that represent and often still control business houses. This is reflected in a large percentage of philanthropic funding coming from the family business.

### Origin of Family Philanthropy Resources

(% of respondents, 2010)



While there is a spectrum of relationships between family giving, on the one hand, and family businesses, on the other hand, our research indicates that a great majority of families in Asia tend to mingle closely their philanthropic and business activities. This is especially true outside of Japan, Hong Kong and Singapore. In many cases family businesses don't just see themselves as profit-making forces; according to Indian philanthropist and businessman Dr. Yusuf Hamied "a company cannot be judged by the profit it makes but only by the good it does to humanity."

Perhaps the most compelling, yet seldom discussed, reason for the relatively intense intermingling of philanthropy and business is the general predisposition in Asia to reach across matters that would otherwise be compartmentalized as familial, communal, economic or political. This character is both a source of strength and weakness. The dense set of interrelationships and cross-linking of activities provides families and businesses with the capability to mobilize resources at a low cost and to manage risks. But this character also leads to suboptimal solutions for any one particular initiative as the needs of different constituents are accommodated.

For example, utilization of business managers in a family's philanthropic activities tends to lower costs and draw commitments from the business enterprise. But, by the same measure, the philanthropic activity starts being shaped by the level of commitment by the management and by overriding priorities.

### Dr. Yusuf Hamied

#### Using Business Strengths in Philanthropy

Dr. Yusuf Hamied is the Chairman and Managing Director of Cipla Limited, one of the leading pharmaceutical companies in India, and has an international reputation for his work in reducing the cost of health care in the country. His philanthropic acts are partially inspired by a request from Mahatma Gandhi to his father, Cipla founder Khwaja Abdul Hamied, to supply medicine for India during World War II.

One of the activities that Dr. Hamied has initiated through Cipla is the production of cheaper AIDS treatments. The company has also sold a record 70 million Salbutamol inhalers (treating lung diseases) per year for just \$2-3 each – six to eight times cheaper than in other parts of the world. This has reduced the cost of health care in the target areas: India and much of Africa. The Yusuf & Farida Hamied Foundation, the family philanthropic unit, also focuses on health care in its charitable giving, as Dr. Hamied believes that one should, "donate what you are best at and contribute to society what you can contribute...because I am in the healthcare line, I do the best I can do to support healthcare."

According to Dr. Hamied, selling these medicines at prices affordable to those in the developing world is a form of indirect philanthropy: "I would confidently say that 1.5 million people in Africa are being treated by Cipla at humanitarian prices." By this calculation, beneficiaries in developing countries have been spared more than \$4 billion in health care costs.

Philanthropy and Business Interrelationship Models		
Model	Mode of Action	Example
Complete Fusion	<p><b>Social Enterprise</b></p> <p>The business is conceived and run with the goal of social impact, but operates as a for-profit entity.</p>	<p>Today in India, a family group runs an extensive network of for-profit educational and healthcare facilities that have made a substantial contribution to higher education in India. The group's corporate foundation also supports thousands of young Indians with scholarships.</p>
Close Connection	<p><b>Brand</b></p> <p>The family brand is leveraged across the business, social and political sectors.</p>	<p>The Ayala Foundation is a foundation funded by Ayala Corporation, the principal holding company of one of the largest Philippine family groups. The Foundation also solicits funds from other Ayala Group companies and from third parties. It also benefits from bearing the well-known Ayala family name.</p>
	<p><b>Funding</b></p> <p>Profits from the business sustain the philanthropic activity on a systematic basis.</p>	<p>The Tolaram Group in Singapore is involved in Fast Moving Consumer Goods, Energy and Infrastructure. Profits are used to both support Corporate Social Responsibility and family philanthropic initiatives in Singapore, other parts of Asia and Africa.</p>
	<p><b>Management</b></p> <p>The philanthropic activity is actively managed with the support of business executives.</p>	<p>One of the companies run by Thailand's Chearavanont family, the Magnolia Corporation, has a CSR program that is largely administered by company executives who are also integral parts of the business side.</p>
	<p><b>Contributions</b></p> <p>The focus of giving is closely tied to the focus of the business.</p>	<p>The founder of Bigfoot Entertainment, a film and media group with its most substantial operations in the Philippines, has established a foundation which provides education in villages in the Philippines through the use of film and new media.</p>
Partial Separation	<p><b>Formal Separation; Crossover Benefit</b></p> <p>The philanthropic activity is separately funded and managed, but may enjoy crossover benefits from the business.</p>	<p>Dr. Yusuf Hamied, the Chairman and Managing Director of one of the leading pharmaceutical companies in India, contributes to health care causes in developing countries. The depth of Dr. Hamied's expertise increases the impact of what he can achieve, as he states it, "one should do good in areas where one has expertise."</p>
	<p><b>Formal Separation; Minimal Benefit</b></p> <p>The philanthropic activity is separately funded and managed, and crossover benefits from the business are minimized.</p>	<p>A major Thai family is extremely private about its substantial philanthropic activities. The philanthropy does not receive funds from the business, has its own management and is named differently from both the family name and the business name.</p>
Complete Separation	<p><b>Principled Delinking</b></p> <p>As a matter of principle, philanthropic and business activities are kept completely apart.</p>	<p>The personal foundation of an established Singaporean entrepreneur in the fashion, hospitality and luxury industries operates on a distinct grant-making agenda while her businesses invest in CSR and sustainability initiatives specific to their line of business. This separation of objectives includes geographical focus, with the Foundation making grants primarily in the developing world where there are no business interests.</p>

Another important factor is the rapid rate of growth of wealth in Asia. For example, over 45% of our respondents fund their philanthropic activities from first generation wealth, including the majority of interviewees from China, Hong Kong and Taiwan. Given the rapid pace of wealth accumulation in Asia, it is not surprising that the professionalization and formalization of the philanthropic sector has not caught up.

A third very important factor is governmental regulation of the non-profit and philanthropy sector. For example, in mainland China, there are significant challenges in establishing a non-profit entity. In Singapore, it is easy to establish a non-profit entity unless the focus of philanthropic activities will be overseas. These factors tend to force the intermingling of philanthropic and business activities: in China, entrepreneurs address the difficulty of establishing non-profit entities by funding their philanthropic activities out of their business or establishing philanthropically focused units within their businesses; in Singapore, philanthropists tend to fund their overseas giving through CSR activities or out of their personal funds.

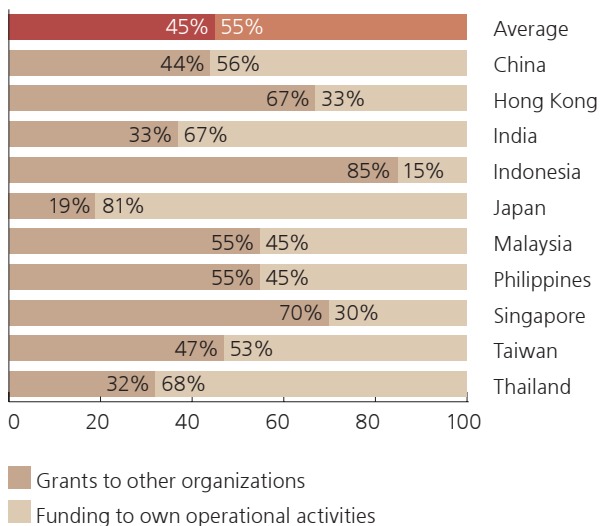
The emphasis in Asia on operational giving also leads to intermingling of philanthropic and business activities. Philanthropically minded families tend to extend the strong and well-developed operational capacity of their business into their philanthropic activities. This is often the easiest, fastest, cheapest and most predictable route to effective operationalization.

### Operational Concentration of Asian Family Philanthropies

Across Asia, family philanthropies show a predisposition to work in isolation from other foundations and to contribute a significant proportion of their funds to directly managed projects and initiatives.

#### Focus of Philanthropic Funding

(% of respondents, 2010)



In certain wealthier locations – Singapore and Hong Kong – family philanthropies tend to contribute a higher percentage of their annual giving to third party institutions. (This includes not only NGOs but also universities). In Indonesia, in the wake of the 2004 tsunami, the NGO sector gained strength and now attracts contributions from family philanthropies as well as international donors. But in much of Asia, there is still a strong predisposition for family philanthropies to utilize a substantial portion of their funding for their own projects and initiatives.

One principal reason is the perception that large third party implementing institutions (especially outside of the educational sector) are insufficiently effective and transparent. Kathy Heinecke feels this way about working with large organizations in Thailand: “I think there’s a definite place for big organizations; they probably do the best they can, but if you give to something too big, it is inevitable that there is leakage here and there. I prefer to be more hands-on, giving to grassroots organizations where we have better control.”

Another reason is that many NGOs are focused on securing large scale funding from the government and bilateral and multi-lateral agencies. In addition, such NGOs often have shifting development agendas dictated by governmental and especially international donors. Such NGOs are not ideal conduits for family philanthropies, which generally prefer to fund specific causes close to family values and community goals with a fairly high degree of consistency over time. As Chew Kwee San from the Tan Chin Tuan Foundation puts it, “we’re not interested in funding mega-projects, but would rather support several small projects that service a large pool of individuals, so that as much of the funds as possible flow directly to the beneficiaries.”

An additional reason NGOs tend not to go after family philanthropy support is that sometimes it simply isn’t worth the trouble. Steve Muncy describes this by saying, “family foundations often want to fund only that which directly benefits the intended recipients—they are not keen to fund the admin costs the NGO incurs in running such projects and/or the organizations...as such, NGOs often find going after, as well as getting such funding, ‘costs’ more than is worth the effort.”

## William and Kathy Heinecke

### Giving at the Micro Level

William and Kathy Heinecke are expatriates who have not only become Thai nationals, but have also become involved in helping the individuals and communities in their adopted land. They see their behavior as being consistent with the Thai way of life: giving as a way to be happy in your heart, not only rich to poor, but amongst all levels of Thai society.

William Heinecke is the Founder, CEO and Chairman of Minor International, one of the largest hospitality and leisure companies in the Asia-Pacific region with over 70 hotels, resorts and serviced apartments, 1,100 restaurants and 200 retail trading outlets, with a presence in Thailand and in 20 markets across Africa to Australia. His companies have a robust corporate social responsibility program and engage in socially responsible investment, ensuring that they operate with a high degree of sensitivity to environmental and ethical issues.

Apart from the company's CSR activities, the Heineckes have established an educational fund in memory of Roy E. Heinecke, William's father. The private fund offers scholarship programs to children and young adults and is supported by the Heinecke family. The late Roy E. Heinecke spent many years serving the US Military in the Asia-Pacific region. Being exposed to cultures and the way of living in these countries inspired the wish for all deserving youngsters to have access to education. The Heinecke family established this scholarship fund to help fulfill this worthy wish. The rest of the family's giving is informal; they even entertain proposals for projects on scraps of paper. Recipients usually return the funding for another recipient to be able to use; they have experienced a very high rate of success with this arrangement.

According to Ms. Heinecke: "It's important to find a project that you're not doing because of visibility or because it's the 'in' cause to fund, but to find one that accomplishes something, is not already well funded, and really does make a difference."

These factors have contributed to the development of a 'go-it alone' mentality among family philanthropies. And there is much to be said for this approach: family philanthropies often bring with them an operational tightness and business efficiency that is missing in many Asian NGOs. On the other hand, there is a heavy price to be paid for such operational effectiveness: it becomes difficult to extricate worthwhile projects from the control of individual philanthropies and attract more widespread funding and talent. In addition, linking funding and operations directly eliminates the competi-

tion for funding, which is an important driver of transparency and efficiency. Michelle Sampoerna of the Sampoerna Foundation advises that a foundation must ultimately focus: "Decide whether you want to be a 'grant-maker' or an 'operational' philanthropist. Each approach will affect the strategies and the tactics you will need in order to achieve the vision of your organization."

According to Lee Poh Wah, the CEO of the Lien Foundation in Singapore: "Our challenge is to retain the business effectiveness of the highly successful entrepreneur who founded our philanthropy, and at the same time to create a generalizable, scalable platform for social impact across Asia that can attract funding from all sources. So far we have found it easier to work with academic institutions, even government bodies and small NGOs, than to work with other foundations. We need to continue to broaden our appeal: we need to create a 'big tent' that will accommodate all parties that wish to contribute to our chosen areas of social impact."

### Social Entrepreneurship and Family Philanthropy

The field of social entrepreneurship (which includes not-for-profit ventures with innovative business models and both for-profit and not-for-profit ventures with earned income strategies) is growing across Asia. Microfinance institutions (especially in South Asia) have the most evolved social enterprise models, but innovative new social ventures are springing up all over Asia in education, food, health, infrastructure development and tourism.

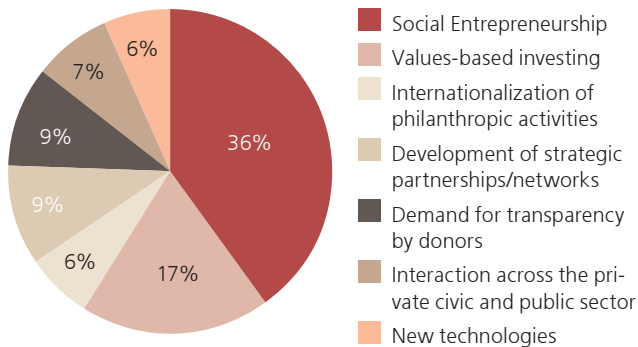
So far, there is a limited connection between these social ventures and family philanthropies. Most innovative new social ventures in Asia obtain funding principally from the friends and families of the entrepreneurs, from local and international social venture funds and, in some sectors (such as microfinance), from governmental agencies and multilateral donors. In particular, for-profit social ventures have generally found it difficult to access substantial funds from family philanthropies. According to Lee Poh Wah: "We find that some of these social ventures have interesting possibilities for scalable, transformation impact, but under the terms of our present mandate, we cannot really provide substantial funding for for-profit ventures. To do this, we would need to establish a separately mandated initiative."

Nevertheless, there is a growing interest among family philanthropies in the sustainable and transformative potential of social ventures with earned income strategies. Thirty six percent of survey respondents ranked Social Entrepreneurship as the most important trend that will affect philanthropy in Asia.



### Important Trends in Philanthropy for families

(% ranked as number 1, 2010)



Members of the younger generation of more established businesses and entrepreneurs who recently became wealthy were the most open to contributing to social ventures with earned income strategies. For example, one leading philanthropy in Hong Kong has created a separate funding allocation from which investments may be made into social ventures with earned income strategies. This allocation was driven by, and the related investment decisions are controlled by, a younger member of the family.

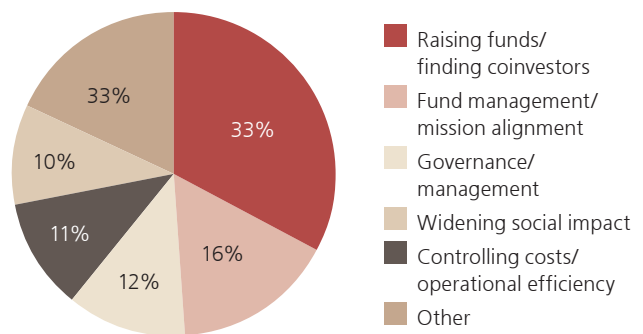
We are also witnessing the early stages of development of collaborative networks to bring together social entrepreneurship and family philanthropy. For example, in Hong Kong, Social Ventures Hong Kong, a venture philanthropic organization, has begun to create an ecosystem of donors, investors, social entrepreneurs and government agencies, with a view towards promoting the acceptance, development and funding of social ventures, and creating a connection with start-up social ventures and established family philanthropies.

Social entrepreneurship offers an avenue for family philanthropies to both have innovative, transformative social impact, on the one hand, and contribute to self-sustainable initiatives, on the other hand. There is accordingly a natural fit between social ventures and family philanthropy. Over the years, we expect that these two approaches to achieving social impact will come together in exciting new ways.

### The Fundraising Challenge

Family philanthropies across Asia struggle to raise funds from external sources for their favorite causes or to expand programs initiated by such philanthropies. Indeed, as previously noted, our respondents ranked this challenge as their most significant challenge by a wide margin.

### Top challenges for Asian Family Philanthropists (2010)

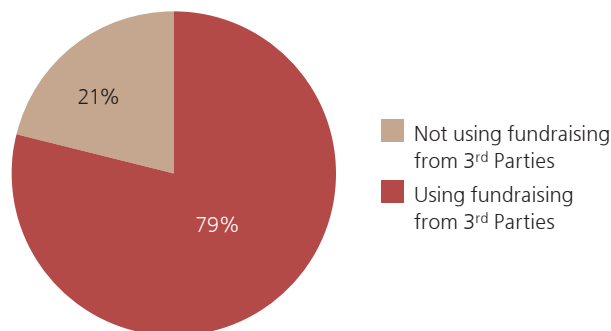


The challenge of fundraising for Asian family philanthropies may be viewed as a negative, if unintended, consequence of the tendency for such philanthropies to focus on operationally controlled programs. Such close association of a family philanthropy with specific programs renders such programs less attractive to other philanthropies as conduits for philanthropic contribution. To address the problem of transparency of implementing institutions, one family may set up a closely controlled program, but to another family this program may itself not look very transparent.

According to Lee Poh Wah, the CEO of Singapore's Lien Foundation: "Family foundations have a difficult time raising funds from other families in particular. It is often easier to work with government agencies, NGOs and academic institutions. Families establish closely controlled programs and then, as these programs grow, they find it difficult to attract financing from other families." The newness of philanthropic fund-raising as a profession is also a major factor. According to Chew Kheng Chuan, Chief University Advancement Officer at Nanyang Technological University: "Outside of major universities, fund-raising for philanthropic purposes is a newly emergent discipline. It is largely unsupported by training or diploma programs and the professionalization of the discipline is still largely ahead of us."

The importance of fundraising to recently established Asian family philanthropists may also result from the fact that it provides such a large portion of their resources. This point was reflected in our survey data, where almost 80% of foundations established after 1990 received at least some of their funds from fundraising.

**Major Sources of Funding for Foundations Established After 1990** (% of responding foundations, 2010)



The foundations and programs that have been relatively more successful at fundraising from third parties are the ones that have either established fundraising teams or been designed with a view towards securing multiple sources of funding. For instance, in Indonesia, the Sampoerna Foundation's dedicated marketing and fundraising has been quite successful at raising third-party funds. According to Michelle Sampoerna, this stems from the realization that "neither the Indonesian government nor Putera Sampoerna Foundation can solve (Indonesia's) challenges alone. In the Philippines, the Ayala Foundation will not support new programs unless such programs are built on a collaborative platform which includes the government and private sector and which is capable of attracting funds from multiple sources.

### Dr. Kallam Anji Reddy

#### Applying Business Principles to Operating a Foundation

Some of India's new philanthropists are building on the heritage of the Tata and Birla families to establish professional, transparent, and efficient operating institutions through which others can donate. One such is the Dr. Reddy's Foundation. While the Foundation is the CSR arm of Dr. Reddy's Laboratories, a major pharmaceutical company, it has been shaped by the very personal involvement of Dr. K. Anji Reddy, the company's founder, from its early days.

The 50th anniversary celebrations for India's independence provided the impulse for Dr. Reddy's first forays into philanthropy. During a drive through one Mumbai's neighborhoods, Dr. Reddy was struck by the immense poverty, evident even in relatively wealthy areas of the city. Looking at the burgeoning business achievements of his contemporaries he wondered why, if individually they could achieve so much in business, they could not apply their drive to addressing poverty.

The Dr. Reddy's Foundation (DRF) was established soon after. He continues to run it today, committing up to 50% of

his time. His efforts are complemented by his daughter, who works full-time for the foundation, and by a professional CEO and staff. The foundation is a Trust. It is funded through Corporate and Government contributions with additional donations from the Reddy Family.

The foundation's most striking trait is that it is run very much on certain corporate principles. Like many foundations and third sector organizations in India, the Foundation faces the challenge of finding and recruiting staff with the right experience to run its programs. Since getting good people in the development sector is generally a challenge, DRF has developed its own internal program to train and develop its staff's skills. In 2009 the foundation launched its 'Performance Reward Policy' on a pilot basis thus becoming one of very few organizations in the field that provide staff financial incentives linked to performance.

As Jitendra Kalra, CEO of the foundation, puts it, the DRF is a life-size laboratory for how "corporate best practices can be made use of in making social interventions more effective."





# Principal Findings and Outlooks

## *Opportunity and Challenge*

### **Finding:**

The combination of the breathtaking rise of prosperity and the persistence of large-scale social and environmental challenges across Asia opens up transformational possibilities for family philanthropy. With governments struggling to deliver social services and public goods to increasingly expectant populations and business corporate social responsibility programs at a fledgling level, there are endless possibilities for families to make fundamental contributions through their philanthropic efforts.

### **Outlook:**

Families that strategically position their philanthropic activities in the context of the rapidly evolving opportunities and challenges to transform Asia, on the one hand, and the aspirations and limitations of government and business, on the other hand, are likely to achieve the greatest impact.

## *Family Benefits*

### **Finding:**

Family philanthropy already plays a critical role in countless large and complex families across Asia (1) instilling and driving family values, (2) strengthening family bonds, (3) providing opportunities for family members to embrace meaningful responsibilities and (4) transmitting knowledge and building capabilities among family members.

### **Outlook:**

The most effective philanthropic initiatives will involve clearly identified family-oriented values and benefits and well-developed strategies for expressing such values and realizing such benefits.

## *The Inter-Generational Divide*

### **Finding:**

The rapid pace of change across Asia has led to generations within families with vast differences in experience and aspirations. Older generations tend to be more cognizant of the importance of giving to their communities and to 'traditional' sectors such as education and health, and are often more comfortable with patriarchal (or in fewer cases collegial) models of governance. Younger generations tend to be more internationalist in their outlook, accord greater value on giving to causes relating to the arts and culture, environment and civil rights, tend to prefer collegial or managerial models of governance and are much more open to social enterprise and social value investment models.

### **Outlook:**

Generational diversity is a source of great strength for Asian families, businesses and philanthropies, but it must be actively embraced as a source of strength, rather than allowed to become a basis for discord. The most successful Asian philanthropies will develop the capacity to accommodate the aspirations of different generations and develop models of governance that allow for meaningful exchanges and contributions by all family members.

## *The Importance of Community*

### **Finding:**

Communal affiliations, especially within members of a socio-linguistic group, are exceptionally strong drivers for philanthropy in Asia and this applies as much to the Chinese, Indian and other diasporas as it does to communities within a given country. While such communal bonds are somewhat weaker among the more affluent countries and among the younger generation, it should be expected that community-driven giving will continue to be a critical feature of philanthropy in Asia.

### **Outlook:**

The exceptionally strong community orientation among Asian families both acts a spur to giving and ensures an informal but very real level of effectiveness and accountability in giving. At the same time, this orientation needs to be balanced with considerations of social impact: one should give where one wants to give but also where such giving is most needed and where one's contributions can have the most impact. The most successful philanthropies will develop multi-tiered criteria for giving that balance family orientation and values with considerations of genuine need and social impact.



## *The Importance of Education*

### **Finding:**

A range of experiential and normative factors drive family giving in Asia almost irresistibly towards education. In some cases, such giving is critically required and has great positive impact. In other cases, such giving is safe but duplicative and has relatively low impact. In many cases, older generations were addressing critical social needs of their day by contributing, for example, to the development of universities: in some cases, that form of contribution has been perpetuated more in the interests of tradition than social impact.

### **Outlook:**

The education sector across Asia continues to demand massive investment from the governmental and private sectors, as well as from family philanthropies. But as government investment becomes more effective and for-profit investment becomes more entrenched, philanthropies will need to work harder to find strategies for maximal impact.

In many cases, donations for construction of schools and to well-funded universities may not have significant social impact. Areas that are ripe for such transformational contribution include curriculum development and teacher training, wide scale deployment of next-generation learning technologies, special needs education and skills development, as well as more generalized educational initiatives in underserved communities.

## *The Opportunity to Lead*

### **Finding:**

Sectors such as poverty alleviation, development and healthcare require large amounts of sustained funding. Although these are high-ranking sectors for contributions by families in Asia, the financial requirements of these sectors are beyond the scope of single-family foundations and usually even groups of such foundations. Moreover, government and international involvement in these sectors tends to marginalize the contributions by Asian families. Nevertheless, across Asia, family philanthropies have demonstrated their ability to move quickly and act freely and innovatively in these sectors.

### **Outlook:**

In sectors such as poverty alleviation, development and healthcare, there is considerable room for families to play a catalytic role in addressing emerging problems and funding innovative new solutions and innovative new models of giving. In this way, families can act as the advance guard for positive social, economic and environmental impact in Asia. In particular, family philanthropy, with its strong roots in entrepreneurship, can play a seminal role in advancing (a) community-based enterprise models and (b) individual entrepreneurship.

## *The Focus on Root Causes and Impact*

### **Finding:**

While considerations of measuring social impact have not been a major driver for traditional giving, members of the younger generation among more established wealthy families, as well as newly emergent entrepreneurs across Asia, are beginning to ask how they can deploy their money and entrepreneurial capacity to address the root causes of social and economic problems across Asia.

### **Outlook:**

Asian entrepreneurs today are confident, forward looking and increasingly capable of taking on large, international challenges. The application of the business confidence that is prevalent across Asia to address the root causes of social and environmental challenges and to have large scale impact is the most exciting and transformational development in the philanthropic sector in Asia. However, such transformational impact will require transformation in the way philanthropy is conducted across Asia: philanthropy will need to be far more strategic in its focus, collaborative in its orientation and professionalized in its conduct.

## *Addressing Core Challenges*

### **Finding:**

The principal challenges to the development of a much larger and more effective philanthropic sector in Asia include:

- Need for more effective, scalable and transparent implementation partners.
- Need for greater collaboration and pooling of resources.
- Need for more professional management at the philanthropy level.
- Need for more training institutions and sharing of best practices.
- Need for more facilitative and even-handed government regulations and policies.

### **Outlook:**

To address the challenges facing family giving, philanthropic initiatives will need to be more demanding of implementation partners, more willing to collaborate, more willing to invest in professionalization and institutionalization and more willing to address government policy towards social and environmental matters and towards the regulation of philanthropy itself. A common challenge underlying all these challenges will be the need for philanthropies to contribute more fully to the business of philanthropy and social impact itself. Philanthropists can achieve long lasting social impact by supporting academic institutions, benchmarking studies, best practice repositories and networking associations and events that advance professionalization of the sector.

## *The Imperative for Attitudinal and Internal Change*

### **Finding:**

Family philanthropies across Asia have by and large remained fairly closely integrated with family businesses. There is similarly a strong bias in Asia towards family philanthropic initiatives maintaining operational control, rather than working collaboratively with other social impact organizations or as grant-making entities.

### **Outlook:**

These factors have ensured cost control, operational effectiveness and transparency of processes and outcomes. But they have also held back the development of larger scale social impact institutions across Asia. If families across Asia are looking to have transformational impact on the social and environmental challenges facing the continent, they will need to begin with transforming their own patterns of giving towards less autonomy and more collaboration: lesser degrees of direct influence will need to be accepted in order to achieve greater degrees of less direct but more pervasive impact. Finding the right balance between personal involvement and greater collaboration and professionalization will constitute a key challenge for the sector.



# Country and Philanthropist Profiles



# China

## A Profile of Giving

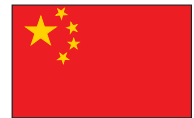
- **Cultural Values.** Chinese traditional culture strongly emphasizes the importance of society as opposed to the individual. The religious and philosophical traditions of Buddhism, Confucianism and Taoism also encourage the practice of charity.
- **Concentration of Giving.** In 2008, 89.2% of charitable donations went to government-affiliated charity organizations, the Red Cross Society and programs run through the Department of Civil Affairs.
- **A Recent Phenomenon.** As only about 30 years have transpired since private wealth accumulation has been possible, philanthropy in mainland China is a recent phenomenon that is gaining momentum. The outpouring of support following the 2008 Wenchuan earthquake in Sichuan proved to be a watershed moment in the development of modern philanthropy in China. The number of private foundations doubled from 2007 to 2009, from 436 to 846. 66% of our China-based respondents indicated that they had formalized their philanthropic activities in the years after 2000. As the sector matures, philanthropists are becoming more professionalized: more than half of our respondents indicated that they have established guidelines for their grantee selection process.

- **Geographical Focus.** In terms of geographical focus, 76% of the funds dedicated by our China-based respondents in 2010 were targeted inside the Chinese mainland at the local, provincial and national levels.
- **Social Entrepreneurship as a Growing Trend.** 'The emergence of social entrepreneurship' was rated as the most anticipated trend by 40% of our China-based respondents.

## The Government and Giving

- **Strong Governmental Control.** Of all the countries surveyed, mainland China generally has the strongest level of governmental control over philanthropy and social welfare. The central, regional, provincial and municipal governments all exert a substantial degree of control over philanthropy and social welfare and provide different kinds of educational, health, welfare and other social programs of their own.
- **Difficulty of Registration and Operation.** Considerable effort is required to register private philanthropies, charities and NGOs, and even those that are registered find it difficult to operate across geographies or sectors.
- **Fund-Raising Restrictions.** Most non-governmental organizations and private foundations are prohibited from





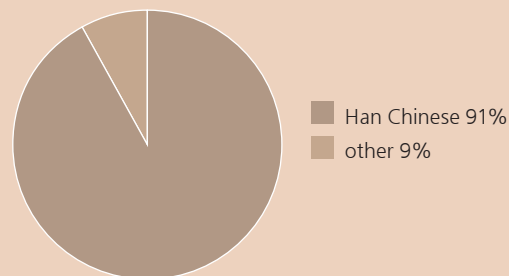
raising money publicly in China. As a result, most donations go to government-affiliated organizations such as the Red Cross Society of China and the China Charity Foundation, which are often criticized for not being sufficiently transparent.

- **Collaboration with Government-Affiliated Organizations.** Because of the restrictive environment for private philanthropies and NGOs, most individuals, families and businesses that are seeking to have a social or environmental impact tend to work with one or more government bodies at the various levels of government in China. In many cases, satisfactory results are obtained, especially when the private sector group is able to identify appropriate local agencies. In other cases, complaints arise that the government agencies are unresponsive or lack transparency. Scandals implying misdirection of charity funds threaten the development of grass-roots philanthropy, by reinforcing public mistrust for such organizations.
- **Proposed Charity Law.** To address the regulatory and tax issues surrounding philanthropy in China, the Government is drafting a comprehensive new charity law. The new law is expected to cover rules on taxation, formation, registration, management and fund-raising activities of domestic and overseas charities. The much-anticipated law might go into effect in 2013 or 2014.

### Institutions and Giving

- **The Institutionalization Challenge.** Because of the recency of the growth of the enterprise and philanthropy sectors, the availability of professional staff to operate philanthropies is a very significant challenge. The CEOs of enterprises who may want to support philanthropic initiatives more fully are typically too involved in business to devote sufficient time to philanthropy. And, because of the ‘one child’ policy, there is a relative shortage of family members who can devote time to philanthropic activities. Many individual, family and business philanthropic initiatives are delegated to retired government officials, who handle such initiatives on a part-time basis. The net result is that individual, family and business philanthropies are sub-optimally managed.
- **Emergence of Philanthropy Support.** It is early days in the growth of professionalized philanthropy in China, but supporting initiatives are emerging. Two small firms that are gathering information and best practices relating to the sector with both a Mandarin and English speaking audience are Charitarian and Hurun Report.

### Ethnic Distribution



### Basics

Population Millions	1,337
Population Growth Rate	<1%
GDP Per Capita (USD)	\$7,400
Avg. Annual GDP Growth/Capital (2000-2010)	16.69%
Population Below Poverty Line (US\$ 1.25/day)	13.90%
Adult Literacy Rate	91.6%
Avg. Life Expectancy (Years)	75
Infant Mortality (per 1,000)	16.1

# Huang Rulun

## **Giving to the Rural Poor**

From a farming family in coastal Fujian province, Mr. Huang has never forgotten his humble roots or the Confucian and Buddhist moral emphases on the value of giving. His economic background and religious values inspire his seemingly random acts of philanthropy. His life experience has also helped him appreciate the beneficial impact that philanthropy can have on future generations of today's beneficiaries.

Currently number 2 on Hurun's list of top philanthropic donors in China, Mr. Huang has come a long way. At the age of 15, Mr. Huang left school and started his own series of entrepreneurial endeavors, first in Fujian, then in the Philippines, then in Hong Kong, then back in Fujian, and finally in Beijing, where he is now the chairman of the leading real estate company that he founded, Century Golden Resources Group.

Mr. Huang is generally known for one-time and spur of the moment donations, which correspond with his belief that charity should be spontaneous and not calculated for personal glory or gain. While he still donates in this ad-hoc way to disaster relief and other one-off causes, Mr. Huang has set up the locally-focused Fujian Jiangxia Charity Foundation, which he directs, and plans to set up a family foundation soon. This foundation, with which he plans to be involved in a professional manner, will allocate funding on a more sustainable basis. Before this, he has generally kept his role in philanthropy as purely a funder of causes, and stuck to what he knows best, entrepreneurship and business.

Mr. Huang's son helps him run the family business, and will be involved in the family foundation's charity work as well. Mr. Huang values the knowledge that can be gained through education, both as a means for lifting individuals out of poverty and as a way to develop communities as a whole. His donations have targeted Western China, which has large populations of impoverished minority groups and former agricultural migrant workers.

## **Education Donation Strategy**

- Target areas with limited resources to devote to education and with significant, defined impoverished populations.
- Support students who would not otherwise have the resources to attend and excel in school.
- Support teachers and institutions so that they can offer a higher quality learning environment.
- Help the lowest strata of society break the cycle of poverty through high-quality education and the capacity for higher-paying jobs.



Kunming, the capital of Yunnan where Mr. Huang engages in philanthropy

### **Educational Donations to Inland Provinces**

Despite China's steady economic growth in recent years, there is still a large gap between mostly coastal wealthy provinces, and inland provinces that are comparatively poor and underdeveloped. With the large populations of rural poor and migrant workers, access to education for the impoverished hinterland provinces has become a pressing issue.

One of the most ethnically and geographically diverse provinces in China, Yunnan is also one of the poorest. Generally underdeveloped, its GDP is less than half of its comparably-sized neighbor Sichuan, and eleven of Yunnan's counties have population poverty rates above 30%.

As the Chairman of the Century Golden Resources Group, Mr. Huang donated substantially to relief of impoverished students including migrant workers' children, as well as to educational institutions in Yunnan: Yunnan Normal University, the Yunnan Provincial Department of Education, and the Yunnan Provincial Government Education Foundation. He also donated to the Minority University's Impoverished Students Project, providing scholarships to minority students, as well as scholarship funding in rural areas including Baoshan, Dehong, Pu'er and Lincang.

Contributions to the education of minority and migrant worker children can help break the cycle of poverty for those populations, which occupy the lowest tiers of society in Western and other parts of China.



# Niu Gensheng

## **Philanthropy as a Means Toward Social Harmony**

After humble beginnings as a bottle washer at Inner Mongolia's Yili Dairy, Mr. Niu has risen to the top of China's dairy industry and China's growing list of philanthropists. His tenure as the founder and CEO of Mengniu Dairy Industry Group brought the company to number one status in the Chinese dairy industry, and earned him the position of one of China's Most Influential Business Leaders five years running. Mr. Niu received the first and only "Lifetime Achievement in Philanthropy Award" presented by the "China Philanthropists List" in 2010 and the "China Philanthropy Award" by the Ministry of Civil Affairs of the People's Republic of China in 2011, and was among "China's Top 10 Philanthropists" in 2007.

Growing up during the Cultural Revolution, Mr. Niu is no stranger to instability. He withstood great hardship as the adopted son of parents from a targeted social class as China went through a period of political and social chaos. The challenge of overcoming the bullying and criticism of his peers, and reaching a leadership position among them, left a deep impression on him and on his attitude towards adapting to overcome adversity.

Mr. Niu believes that, as a socially responsible entrepreneur, profits and business growth are important, but helping others is a more important goal. This belief is reflected in his decision to donate his entire holdings of Mengniu company stock to

the Hengxin Trust for Charity, which lists as beneficiaries: the Lao Niu Foundation, the Red Cross Society of China, the China Foundation for Poverty Alleviation, Jet Li's One Foundation, the Nature Conservancy and the Inner Mongolia Charity Federation. These organizations cover a wide range of charity activities within China, such as supporting education in rural areas, combating desertification in Inner Mongolia, preserving ethnic minority culture, assisting students in poverty and providing health care support.

Through his philanthropic activities, Mr. Niu hopes to be able to contribute to the public good and social harmony in China through six components: progress towards a culture of charity; environmental protection; supporting education; facilitating access to medical care; supporting agricultural livelihoods; and supporting disaster-stricken and impoverished populations.

## **Lao Niu Strategy**

- Partner with organizations that are highly regarded as credible and reputable.
- Partner with locally-focused organizations that have extensive knowledge of the local situation.
- Choose a variety of important causes to support, in order to reach the most number of beneficiaries across the community.

### Lao Niu Foundation Inner Mongolia Philanthropic Projects (2005–2010)

Cause	Donation Recipient	Project Aim
Arts	Inner Mongolia Herdsman Calligraphy Research Association	Preservation and development of traditional art
Culture	Inner Mongolia Normal University	Minority cultural studies building facilities
Education	Inner Mongolia Student Federation	Helping impoverished students
Education	Inner Mongolia Youth Development Fund	School development funding
Education	Jade Spring District	Funding educational facilities
Education	Horinger County Government	Supporting impoverished college students
Education	Inner Mongolia Workers' Committee	Supplying migrant workers' children with school computers and books
Environment	Nature Conservancy	Combating desertification in the province
Health	Horinger County Middle School	Medical services for disabled students
Health	Inner Mongolia Elderly Physical Education Society	Provincial sports competition
Health	Inner Mongolia Provincial Government	Provincial health and medical projects
Health	Hohhot City First Aid Center	Supporting health care activities
Health	Hohhot Red Cross	Leukemia Research
Health	Horinger County Disabled People's Union	Support disabled persons' activities
Poverty	Inner Mongolia Poverty Alleviation Society	Alleviating poverty in the province
Poverty	Hohhot City Charity	Supporting charitable activities
Poverty	Horinger County Economic Park Regulatory Commission	Supporting regional and national charities
Poverty	Hohhot City Government	Poverty Alleviation

#### Lao Niu Foundation

Mr. Niu has been involved in charitable giving for many years. Through the Lao Niu Foundation, he has provided funding for a variety of beneficiaries across China. The grant-making focus of the Lao Niu Foundation is: environmental protection, education, health care as well as other causes.

The foundation seeks to bring aid to the regions where help is most needed and able to benefit as many people as possible. This strategy increases the impact of giving by avoiding redundancies, and brings aid to more regions in need. Also, in such regions, the approach can solve the problems of the people in need and increases the quality of life for residents of all ages and backgrounds.

Partnerships with organizations such as the China Foundation for Poverty Alleviation and the Red Cross Society of China increase the effectiveness of how donations are used: such organizations are more cost effective in their area of operations, because they understand the needs of the region and their people, and are capable of identifying and delivering to the most deserving beneficiaries.

# Yeung Kwok Keung

## Long-term relief for those in need

Yeung Kwok Keung is the co-founder and chief executive of Guangdong-based Country Garden, one of the biggest property development companies in China. From its inception in Guangdong, the company's expansion to other cities and areas in China was made possible by economic liberalization policies put in place by Deng Xiaoping in the 1980s.

Mr. Yeung comes from a poor village in Guangdong, where his family made a living from raising cattle and farming. He later became involved in construction as a bricklayer and contractor, and subsequently co-founded his real-estate development company. The company struggled with the tepid real-estate market at the time, but eventually grew as a leader in the local, provincial and finally national market. For a number of years, Mr. Yeung and his family were ranked among China's wealthiest entrepreneurs.

Mr. Yeung's philanthropic activities are generally funded by himself and his family, or directed through Country Garden, with a large amount of support going to poverty relief in various parts of China. Mountainous Western China is where many of the poorer populations in China are located. Country Garden has supported activities in Sichuan to provide education and health access in impoverished rural areas, supported a construction project for new rural highways to facilitate the transportation of goods to market, and supported social entrepreneurs in the region to enable them to create sustainable projects to stimulate the economy and create a more stable social environment. Mr. Yeung has also started the first pure charitable and free education institute in China, which provides free educational opportunities to outstanding junior middle school graduates who cannot continue education due to poverty, and has also established and supported vocational schools for people discharged from the Chinese armed forces, providing work training for more than 4,000 veterans.



Secretary Wang Yang (left) and Mr. Yeung Kwok Keung (center) treated with the utmost cordiality by villagers of Shushan, a village supported by Country Garden

In 2008, China was hit by two major disasters within a matter of a few months. When a crippling cold weather spell hit 20 provinces and municipalities in February, Country Garden responded with donations for immediate disaster relief. Then, in May, an earthquake measuring 8.0 on the Richter scale hit rural Sichuan province and devastated the region. Country Garden responded with a long-term approach, supporting the relief effort, victims of the quake, students in the area and the community as a whole.

#### **Yeung Kwok Keung's Disaster Relief Strategy**

- Be holistic and sustainable, and focus donations on initiatives that address the long-term aftermath of the disaster.
- Fund initiatives to restore the economic engine of the affected region, to end reliance on outside funding as soon as possible.
- Ensure that educational activities continue as soon as possible, so that time isn't lost in academic development.

#### **Disaster Relief in Sichuan**

The devastation of the Sichuan earthquake provoked a whole-hearted response, with relief donations from other parts of China and other countries flowing to aid agencies in the area. Through Country Garden, but mostly by himself and with his family, Mr. Yeung also supported disaster relief activities for victims of the natural disaster, but donated to causes with initiatives that addressed longer-term effects as well. For example, the China Social Entrepreneur Foundation focused on incubating economically sustainable projects in the stricken region.

In the aftermath of the quake, students had nowhere to learn because of the collapse of many school buildings. In response, Mr. Yeung funded the relocation of more than 1,400 of these students and their teachers to Guangdong, where he funded the continuation of their studies for one year at the sites of schools that he had established earlier.

To ensure the sustainability of disaster relief, a holistic approach was taken to address the needs of those affected:

1. Disaster relief for the immediate needs of quake victims and rescue workers to make sure that the casualty count is kept as low as possible.
2. Donations supporting orphans of the disaster, who have lost the stability of a family, as well as other children who have been affected by the disaster.
3. Post-disaster relief for the work of rebuilding the disaster area to a condition that can allow for resumption of daily life, and counseling services to help victims cope with their new reality.
4. Support to schoolchildren who cannot be accommodated in the disaster area for lack of facilities, and their relocation to continue their education.



# Hong Kong

## A Profile of Giving

- **Historical and Cultural Influence.** Because of their reluctance to have an influx of mainland Chinese immigrants, the British colonial government that governed Hong Kong from 1842-1997 took a wary approach to philanthropic activity in Hong Kong in its early stages. During the colonial period, minority ethnic groups, notably Hong Kong's Sephardic Jewish business families, played a significant role in developing philanthropy. Later as economic activity increased in the colony, the government looked to churches and volunteer organizations to provide essential social services to fill gaps in social services for the needy and new immigrants.
- **Anonymity of Family Giving.** There is a deep-seated tradition of anonymous giving among Hong Kong's wealthy families, deriving from the Chinese cultural value of modesty.

- **Family Values in Philanthropy.** In the case of Hong Kong, traditions and values have a strong influence on philanthropic giving. 73% of our Hong Kong-based respondents cited 'ensuring continuity of family values and creating a legacy' as a significant reason for their giving. 46% of respondents also said that family tradition and teaching the next generation about family giving were core reasons.
- **Geographical Focus.** 40% of our Hong Kong-based respondents said that they fund social causes on the national level. While this means within Hong Kong, most of the education and poverty alleviation projects supported by Hong Kong philanthropists are in mainland China.
- **A propensity to mobilise quickly.** Hong Kong people are known for their generosity. Whenever there is a major disaster in China or in the region, regardless of background





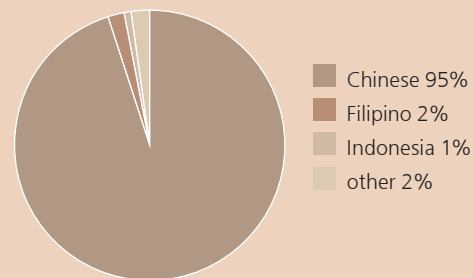
they always respond swiftly by organizing fundraising events, making large donations to people in need and getting personally involved.

### The Government and Giving

- **Tax Incentives.** The Hong Kong Inland Revenue Ordinance provides for tax exemptions for charitable organizations. Organizations that operate in the fields of poverty alleviation, education and religious activities are eligible for tax exemption even if they are operating in areas outside of Hong Kong.
- **Low Personal and Corporate Taxes.** The rates of personal income tax and corporate income tax are comparatively low, and there are no capital gains taxes in Hong Kong. This allows for more disposable income to be set aside for charitable reasons.



### Population distribution



### Basics

Population Millions	7.1
Population Growth Rate	<1%
GDP Per Capita (USD)	\$45,600
Avg. Annual GDP Growth/Capital (2000–2010)	2.56%
Adult Literacy Rate	93%
Avg. Life Expectancy (Years)	82
Infant Mortality (per 1,000)	2.9

### Institutions and Giving

- **A Stepping Stone to Mainland China.** Many NGOs that operate in mainland China are based in Hong Kong because of the relative flexibility of government regulations of NGOs compared to the mainland. These organizations either operate partially in Hong Kong and partially in China, or exclusively in China. Shenzhen, the mainland Special Economic Zone adjoining Hong Kong is a popular area of operation.
- **Filling the Service Gap.** Hong Kong NGOs provide needed services to and advocacy on behalf of immigrants coming from mainland China.

# Lee Shau Kee

## Investing in the future through human development



Born in 1928 and raised in Guangdong, China, Dr. Lee Shau Kee was introduced to business at an early age through his father's gold and silver shop. His family moved to Hong Kong in 1948 during the revolution, where he subsequently entered into the land development business.

While a student, Dr. Lee was inspired by his teacher's

teaching to "save civilian people from hardship and affliction," or more generally to help other people. Later, after success in business, Dr. Lee took this inspiration and established a reputation for business ethics and philanthropic efforts. He seeks to leverage his success and position to help the widest section of society. His goal is to reduce the wealth gap and create harmony in society. Dr. Lee's philosophy for philanthropy is:

1. Leverage, by using limited resources to help as many people as possible.
2. Empower by helping people stand on their own feet.
3. Resources donated have to be well spent and their impact measured.
4. Donate not only financial resources, but also personal time and involvement.

Dr. Lee focuses on education because it has the largest leverage and empowerment effects. His contributions to education include donations to schools and all the universities in Hong Kong including the University of Hong Kong and the Hong Kong University of Science and Technology, as well as leading universities around the world. Dr. Lee also provides scholarships to higher learning institutions like Fudan University in Shanghai and Oxford University in the UK. The Warmth Project in China provided job training to over one million rural farmers and placed them with jobs. His charitable foundation, the Lee Shau Kee Foundation, contributed US\$ 12 million to the Wenchuan earthquake relief effort in 2008. In addition, his company's philanthropic arm also supports education and community projects, as well as cultural activities, environmental education and sustainability and public events.

As part of his commitment to give back to the community, Dr. Lee is also attempting to make a difference on a macro level. Since the global financial crisis, Hong Kong's investment environment has become unstable, with stock prices slow to rebound. As a vote of confidence in future business prosperity, he has committed to annually donating to charity around US\$ 130 million if the Hang Seng stock index surpasses 30,000 points, and around US\$ 260 million if it surpasses 40,000 points. While market increases would mean good news to his own stock portfolio, he has decided to pass those gains on to the greater good.

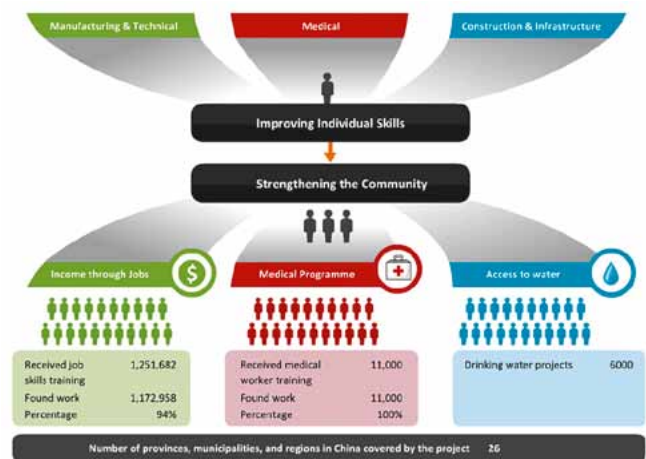
### The Warmth Project Strategy

- Invest in human development; through access to education and job training, people can improve themselves and their communities.
- Increase the earning potential of low-skilled farm laborers by equipping them with higher-level skills.
- A labor pool with a higher level of skill can result in the attraction of employers to the area, improving the area's economy.
- Improving availability of medical and other basic services raises the area's health standard and improves quality of life.

### The Warmth Project

Headed by Dr. Lee's son, Peter, the Warmth Project is a large-scale human and infrastructure development project targeting almost all of China's provinces, with total funding of more than US\$ 68 million from the Lee Shau Kee Foundation. Over its three-year span, the project has trained over a million farmers for more skilled, higher-paying jobs, trained 11,000 rural medical professionals in places where quality care is scarce, and is constructing water projects in drought-stricken areas.

By focusing on the development of individual human potential, the Warmth Project creates ripple effects benefiting the larger community. Skilled workers earn more money, and help to develop rural economies through their spending. Employers set up shop in places with a concentrated skilled workforce, and so jobs are created for the trained workers as well as other members of the community. At the same time, an increase in trained medical workers means better access to medical treatment, a healthier community and a higher standard of living. Access to fundamental services, such as clean drinking water, also serves to improve public health standards and overall quality of life.





# Ronnie C. Chan

## Building China's intellectual capacity and restoring its architectural heritage



Ronnie C. Chan inherited a set of values from his late father – the pursuit of excellence, the virtue of self-reliance, and the spirit of philanthropic giving. He leads by example and has passed this set of values to the next generation, with the hope that they will continue this family legacy.

Mr. Chan received his MBA from the University of Southern California in 1976. He co-founded the family business, Morningside

Group in 1986 and became Chairman of Hang Lung Group Limited in 1991. During his leadership, Hang Lung Group was brought to new heights. In June 2011, Mr. Chan became the first Asian to co-lead Asia Society, the influential global institution promoting ties between Asia and the United States. He also holds numerous leadership and advisory positions in renowned Hong Kong-based and international organizations.

## Personal Dedication in Philanthropic Work

Mr. Chan puts a great deal of importance on personal involvement in philanthropy and devotes much personal time to non-profit work serving the community. This is driven by the belief that the dedication and passion one invests in philanthropy is just as important as the funds one is able to commit for the success of a philanthropic project. In addition, Mr. Chan strongly believes one should lead by example. Young people need role models in philanthropy just as in any other sector and Mr. Chan is frequently seen meeting with students, holding discussions, and providing them with guidance and nurturing opportunities. Alongside his active personal involvement in philanthropy, Mr. Chan also serves on an executive level in a number of national and global foundations. Most of which, such as the Asia Society, and the Better Hong Kong Foundation aim to promote better understanding between Asia and the West.

## Enabling Access to Educational Opportunities

The Morningside Group, the Chan family investment company also supports a solid portfolio of philanthropic activities through the Morningside Foundation. On education, Morningside has provided scholarships to enable over 5,000 economically disadvantaged students to attend leading universities in Beijing and Shanghai since 1995. The Morningside Music Bridge program was established in 1996 and annually selects talented young classical musicians from China, Canada, Japan, the Netherland, New Zealand, Poland, Taiwan, Russia, and the United States to receive master classes at the Mount Royal College Conservatory of Music during the summer. Graduates of the Morningside Music Bridge program have won many prestigious international competitions such as the Paganini Award and the Tchaikovsky Competition. In 2006, Morningside College at the Chinese University of Hong Kong was established to inspire students to excel their education in liberal arts; first cohort of students admitted in 2010.

To enhance natural science development in Chinese community, Morningside has funded the construction and operation of the Morningside Center of Mathematics at the Chinese Academy of Sciences in Beijing, which has become one of the premier mathematics research and teaching institutions in China and plays a critical role in nurturing young talents in mathematics. Morningside also funds the internationally acclaimed International Congress of Chinese Mathematicians hosted triennially in Greater China. At the congress, the Morningside Medal of Mathematics is presented to encourage outstanding achievements in mathematical research.



Morningside College, Chinese University of Hong Kong

### Conserving the Past for the Future

As the founding chairman of the Hong Kong based China Heritage Fund, Mr. Chan is also passionate about heritage conservation. The Fund's mission is to preserve and restore cultural relics throughout China that are a part of its important heritage. It is keen to support projects which are self-sustainable. The Fund regards conservation training, project management and, where relevant, the development of appropriate technology as key factors to a meaningful heritage preservation project.

The Fund's inaugural project was the 2000 Reconstruction of the Garden of the Palace of Established Happiness in the Palace Museum, Beijing. The Garden was built by Emperor Qianlong in 1740 and completely destroyed by fire in 1923. As the first reconstruction on such a large scale in the Forbidden City since the 20<sup>th</sup> century, the Garden was painstakingly rebuilt, using traditional tools, techniques and processes only. This visionary collaboration between China Heritage Fund and the Palace Museum was the first major privately funded project inside the Forbidden City, and also the first time that the Palace Museum has carried out a restoration in full collaboration with an organization from within or outside China. The Garden was completed in 2005 and the Palace Museum assumed complete managerial responsibilities in 2009. China Heritage Fund's second collaboration with the Palace Museum is the restoration of the Hall of Rectitude complex, destroyed by the same fire in 1923.



Northeast view  
in Garden, towards  
Palace Museum  
North Gate 2000



Same view 2005

# India

## A Profile of Giving

- **Leading Growth; Lagging Contributions.** India is one of the world's most rapidly developing economies: in 2006–2007, India experienced the fastest growth of wealthy individuals in the world. Today, there are more than 50 billionaires in India. However, charitable donations in India constitute only about 0.6 percent of the country's GDP.
- **Corporate Social Responsibility.** Family groups run much of corporate India: out of the top 40 business groups, about 70% are family-controlled. Many such groups perceive corporate social responsibility as a substitute for individual and family philanthropy.
- **Acceleration of Formalization.** However, early indications are that formalization of individual and family philanthropy is accelerating. About 42% of our India-based respondents indicated that they had formalized their philanthropic activities after 2000.
- **Major Sectors.** Our India-based respondents selected education as the most popular sector (attracting 33% of their contributions in 2010), followed by development and poverty alleviation (attracting 16% of their contributions in 2010).
- **Domestic Geographical Focus.** 93% of funds contributed by our India-based respondents in 2010 were targeted inside the country.
- **Social Entrepreneurship as a Positive Trend.** Unlike a number of other countries in Asia, a significant majority (71%) of our India-based respondents viewed the emergence of social entrepreneurship as the most significant trend.
- **Fund Raising Challenge.** For 29% of our India-based respondents, 'fundraising and finding co-investors' was the most significant challenge. Dealing with 'regulatory and tax constraints' was also highly ranked as a challenge and 17% of respondents viewed it as the most significant challenge.





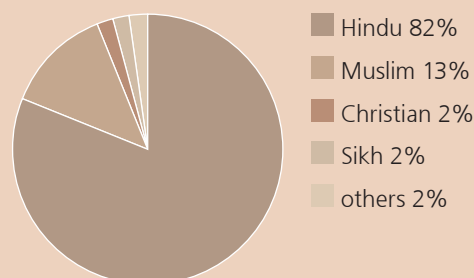
### The Government and Giving

- **The Regulatory System.** There are three types of bodies through which one could engage in philanthropic activity: societies, trusts and non-profit companies (known as Section-25 companies). In addition to national legislation, some states may have specific acts governing the registration of societies or trusts.
- **Government Funds and Bodies.** The federal and provincial governments are important players in the philanthropic and social works sector and in addition to having their own extensive social, educational, health and welfare programs, are also sponsors of foundations (such as the National Foundation for India) and social welfare funds (such as the Labour Welfare Fund).
- **Sector Based Targeting.** The government uses differential levels of tax deductions to steer contributions (for example, contributions to rural development programs are deductible at 100%, while contributions to the scientific or educational sectors are weighted at 125% and 175%, respectively).
- **Incentives to Contribute to Government Funds.** In general, donors receive a 100% tax deduction for contributions to government funds.

### Institutions and Giving

- **NGOs; Social Welfare Societies.** India is estimated to have over 3.3 million NGOs or one for every 400 people. Despite or perhaps because of this mind-boggling diversity of NGOs, our India-based respondents expressed a high degree of distrust of the NGO sector as a whole.
- **Associations and Supporting Networks.** There are a vast number of associations in India, including religious associations, ethnic welfare groups, affiliates of international associations and old boys' networks that serve as important conduits for collecting and distributing contributions.

### Religious Distribution



### Basics

Population Millions	1,189
Population Growth Rate	1.3%
GDP Per Capita (USD)	\$3,400
Avg. Annual GDP Growth/Capital (2000–2010)	11.1%
Population Below Poverty Line (US\$ 1.25/day)	40%
Adult Literacy Rate	61%
Avg. Life Expectancy (Years)	67
Infant Mortality (per 1,000)	47.6



# Bharti Foundation

## **Transformational Change in Education**

"Part of the family DNA" is how Rakesh Bharti Mittal, co-chairman of the Bharti Foundation, views philanthropy. To him and his family it has always simply been a question of how. "When we first started off it was a much more giving oriented scene at the foundation," he reflects.

Rakesh's brother, Sunil Bharti Mittal, is Chairman and Group CEO of Bharti Enterprises, India's leading business group with interests in telecom, agri business, financial services, retail and manufacturing. Together, they co-chair the Bharti Foundation which is a separate entity from their business enterprise, and their philanthropy focuses on improving the education sector in India.

Mr. Rakesh Bharti Mittal cites his father as an initial influence: "he had national pride, he believed he needed to help those who are in distress." It was this determination to emulate his father's actions and the will to make a difference that witnessed the Bharti Foundation's transition from "writing checks" to "initiatives that were more sustainable in nature."

Progressively, the Mittals' vision for their philanthropy solidified into a plan to build a scalable, sustainable organization to effect transformational change by providing education to underprivileged children in rural India. In addition, their philanthropy has become more professional, and is now headed by a CEO hired externally. Today, the foundation is run with the same accountability and transparency standards that have distinguished the Mittals' for-profit enterprises.

The Bharti Foundation focuses mainly on primary and secondary education, and runs schools in 250 villages across India. The Foundation provides free education to more than 34,000 children with mid-day meals and plans to educate 100,000 children in the next 3 to 5 years. The Foundation currently employs over 1,300 teachers. The family believes that the Foundation's success will prove the effectiveness of their model and result in others replicating it across other geographic areas. By creating a replicable platform for other organizations to emulate, the Mittal family hopes to have a transformative effect on education. They have already received positive feedback about their model, having attracted major corporate sponsors including Google, who announced a 5 million dollar grant to the Bharti Foundation to expand 50 primary schools to accommodate upper primary students as well.

## **Bharti Foundation Education Strategy**

- Besides quality education, Bharti Foundation also imparts vocational training that translates to in-demand job skills.
- Collaborate with government to build on existing infrastructure and leverage connections.
- Focus on progressive, under-funded aspects of education that have been proven to have impact.

### Progressive Educational Giving

In its approach to educational support, the Bharti Foundation is going above and beyond the traditional approach of scholarships and general institutional support.

In the realm of higher education, the Bharti Foundation supports technological education and research. At the Indian Institute of Technology (IIT) Delhi campus, the foundation funds the Bharti School of Telecommunications, Technology and Management. The foundation has facilitated the construction and maintenance of the Telecommunications Software Laboratory, the Wireless Communications Laboratory, and the Telecommunication Network Laboratory.

In its mission to improve education, the Bharti Foundation is also collaborating with the government to help deliver more effective educational services. Five secondary schools in the state of Punjab were jointly established by the foundation and the local government. Also, in Rajasthan the foundation has adopted 49 government primary schools to improve the quality of the education that the institution can offer.

Apart from the more traditional approaches to education improvement, the Bharti Foundation has also attempted a more progressive style to remove obstacles to attendance at school. The foundation has introduced pre-primary classes that not only provide early age learning opportunities for



Education supported by the Bharti Foundation

the young, but also frees up their older siblings to attend classes as they no longer have to babysit their younger kin. The foundation counsels families in areas around its school to encourage them to send their daughters to school. In addition, every school has a separate toilet for girls. The foundation has also attempted to increase the number of female teachers while incorporating women's themes in the educational curriculum and introducing peer encouragement programs.

"60% of the population of India lives in villages where education is not up to the mark (300 million children in ages of 6–16). We want to educate the children of today so they become future assets to the nation." Beyond this being an incredible goal in itself, Mr. Rakesh Bharti Mittal hopes that this gargantuan endeavour will inspire others to act and result in a chain reaction that gives rise to widespread philanthropy, both in India, and the rest of the world.

# Indonesia

## A Profile of Giving

- **Religion and Giving.** As a country with an overwhelming Muslim majority, religious-based giving is a substantial factor. Zakat, or the Islamic system of tithes, provides for a large amount of charitable giving. Minority faith and ethnic groups, such as Indonesians of Chinese origin, often undertake giving inspired by their own traditions.
- **Poverty Alleviation a Major Area of Giving.** Development and poverty alleviation attracted 19% of charitable contributions from our Indonesia-based respondents in 2010, a reflection of the large percentage of impoverished people in the country.



- **Internal Geographical Focus.** In the year 2010, the amount of funds distributed by our Indonesia-based respondents inside the country stood at 72%.
- **Corporate Social Responsibility.** Following the Asian economic crisis, corporate social responsibility has significantly increased in Indonesia. Corporate social responsibility in Indonesia is executed via five main strategies – direct involvement, establishment of a corporate foundation, partnerships, volunteerism and the multi-purpose foundation model approach.
- **Importance of Values-Based Investing.** 33% of our Indonesia-based respondents identified investing in companies that place importance on social values as an important trend in Indonesia, which reflects the involvement of corporations in philanthropic activities.
- **Fund Raising Challenge.** In terms of challenges, fundraising and finding co-investors was identified as the leading concern by 33% of our Indonesia-based respondents, whereas 22% of Indonesia-based respondents said that strengthening governance and management was the leading challenge.
- **Culture of Volunteerism.** Social traditions from the country's rural agrarian roots encourage volunteerism to help those in need. Traditionally, members of a community help each other in construction of houses and community assets such as bridges and roads.



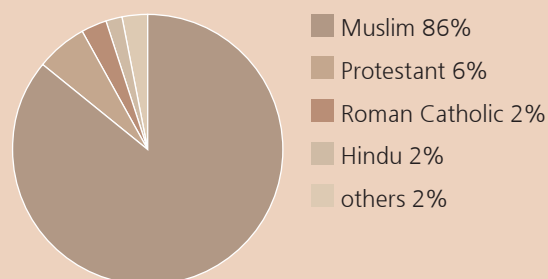
### The Government and Giving

- **Weak Tax Incentives for Organizations.** Non-profit organizations are generally subject to income tax, though donations and grants are exempt. Tax deductions for charitable contributions are currently available only for Islamic-obligated charitable giving. Additional tax incentives are accessible on an ad-hoc basis, for example in the case of natural disasters.
- **The Regulation and Practice of Zakat.** Indonesia has in effect a law on the management of zakat that is administered by the Ministry of Religion. Under this law, both federal and semi-autonomous provincial zakat collection and management agencies have been established. However, the law and these agencies do not comprehensively regulate this form of giving (see zakat Institutions below). Moreover, the law, the regulator and the agencies are regularly criticized for lack of transparency and effectiveness.

### Institutions and Giving

- **Role of the Mass Media.** Both print and broadcast media organizations engage in fundraising drives for charity. The ability of media organizations to generate a large amount of public awareness, and public perceptions of transparency, drive the success of these initiatives.
- **Zakat Institutions.** The federally and provincially regulated system for zakat collection and management does not cover all zakat contributions throughout Indonesia. Indeed, there are three parallel zakat systems: the governmentally sanctioned system, under which zakat is collected and managed by federal or provincial agencies; the traditional Islamic system, under which zakat is given to local religious institutions or mosques and in many cases contributions deemed zakat are made directly to social welfare organizations and deserving families; and the institutionalized Islamic system, under which zakat is collected and managed by nationwide or regional religious institutions.

### Religious Distribution



#### Basics

Population Millions	246
Population Growth Rate	1.1%
GDP Per Capita (USD)	\$4,300
Avg. Annual GDP Growth/Capital (2000–2010)	13%
Population Below Poverty Line (US\$ 1.25/day)	21.34%
Adult Literacy Rate	90.40%
Avg. Life Expectancy (Years)	71.33
Infant Mortality (per 1,000)	28

- **Zakat Contributions.** A substantial portion of zakat contributions is applied to maintain religious institutions, mosques and madrassahs (religious schools). Another substantial portion is applied towards traditional charitable causes such as giving of alms and disaster relief. In addition, the agencies that collect and manage zakat (in particular federal and provincial agencies) are generally perceived as self-serving and, in some cases, corrupt. While the opportunity for deploying zakat contributions for more strategic social, economic and environmental transformation is immense, there does not seem to be much movement in this direction.



# Putera Sampoerna Foundation

## Community-Driven Environmental Transformation

"... It is not just my parents who inspire me. Today I am inspired every time I meet a young person who has taken advantage of opportunities provided by the Putera Sampoerna Foundation."

This is the same inspiration that drives Michelle Sampoerna, daughter of Putera Sampoerna, one of Indonesia's most successful entrepreneurs, to treat philanthropy as more than just a pastime. To her, giving is a way of life.

Established in 2001 by Putera Sampoerna, the Putera Sampoerna Foundation (PSF) is an example of a contemporary philanthropy that is taking full advantage of the new trends and developments in giving. From its inception, it was set up as a professional organization, with guidance and board participation from the Sampoerna family, and operationally run by dedicated, trained professionals. The foundation places high value on transparency and accountability, and emphasizes cooperation with like-minded non-government and government organizations.

"The Ministry of Education reports that every year 1.5 million teenagers are unable to continue their education. Economic disadvantage is the main reason that they drop out of school." Addressing factual evidence, Ms. Sampoerna believes that a four-pronged approach involving Education, Women's Empowerment, Job Creation & Entrepreneurship and Compassionate Relief would be the most prudent way to remedy the situation.

Of the four issues it addresses, the PSF's priority is education, but its strategy is not limited to the traditional approaches of giving in this sector. It aims to improve the quality of the Indonesian education system on all educational levels through teacher training, institutional development and international student exchange. The foundation's goal is not only to educate students, but to cultivate new generations of leaders who are both well-educated and equipped with values that will make them effective and socially responsible business and political leaders.

## PSF Education Strategy

- Spread resources out among beneficiaries: students, institutions, teachers and administrators.
- Give across education levels – primary, secondary and tertiary – to enable talented and deserving students to advance at every level.
- Support solutions to strengthen pedagogy, curriculum development and teacher training across the country.
- Support solutions to build skills that are necessary for strengthening the economic potential of the community.

Ms. Sampoerna also recognizes the importance of identifying, and consequently, dealing with possible pitfalls: "A key challenge has been that many people simply don't have an in-depth understanding of the challenges faced by Indonesia today, particularly in a global context. Therefore we must constantly strive to increase public awareness about these issues, and encourage people to contribute to improving their society."

While acknowledging that adaptability is key in achieving success, Ms. Sampoerna also reflected on the need for grounding and a sense of pride in one's own heritage or culture: "The most important lesson I learned was to never forget where you come from."

Emphasizing the need to incorporate philanthropy at every stage, she explained: "The biggest philanthropic opportunity open to all of us is simply to do something. No matter what it is, the smallest gesture can make a huge difference to someone's life."

**The Sampoerna Foundation reaches its goals in education related giving through three principal avenues**

Institutional Access	Financial Access	Capacity Development
Sampoerna Academies: Private primary and secondary education boarding schools targeting high-performing students from financially disadvantaged families.	Siswa Bangsa: Financial assistance to disadvantaged students through grants and no-interest loans.	Student Development Outreach: Provides individuals and educational institutions with training and consulting, with the goal of improving performance of staff, administration and teachers. Also provides a revenue stream for the foundation.
Sampoerna School of Business: Undergraduate programs for the education of future business leaders. Programs are offered in Accounting, Finance, Management and Marketing.	Student Assistance: Scholarships based on need and merit, for elementary to graduate level study, both domestically and internationally.	Sampoerna School of Education: Offers Bachelor's Degrees for Mathematics and English Language teaching.
ACCESS: Undergraduate-level exchange program, for students to study at universities in other countries around the world. Also provides a revenue stream for the foundation.	Bait Al-Kamil: Collects religious tithes and distributes them to disadvantaged Muslim children, through scholarships to Islamic schools with international-level curricula.	Education Recovery Program: Provides emergency supplies and infrastructure rebuilding assistance to education institutions in areas hit by natural disasters.

# Japan

## A Profile of Giving

- **Underdevelopment of Giving.** Japan is not well-known for its philanthropy, and the philanthropic sector is considered underdeveloped as compared with other advanced capitalist democracies. The average annual revenue for Japanese non-profits is US\$ 200,000, much lower than the average in other OECD countries.
- **Cultural Indicators.** Because of the importance of modesty in Japanese culture, much of the philanthropy in Japan is anonymous. The act of giving in Japan is generally in the context of social relationships, such as with co-workers and friends, and used to pay back an obligation or to show gratitude. Buddhism is often a strong motivator for giving.
- **National Focus of Giving.** While 76% of our Japan-based respondents indicated that they directed their philanthropic efforts to national-level causes, only 1% of those efforts were on the local and community level.
- **High level of Professionalism.** 77% of our Japan-based respondents said that their foundations are being principally managed by employed professionals. This is a reflection of the maturity of the sector (42% of our respondents' philanthropic initiatives were established in the 1980s).
- **Science and Technology as an Area of Support:** In contrast to respondents from other countries in Asia, contributions to science and technology made up a large portion of giving in Japan: In 2010, 23% of the contributions made by our Japan-based respondents went to this sector.





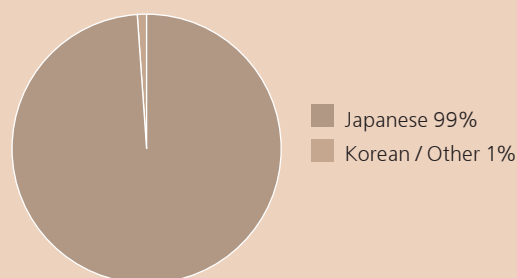
### The Government and Giving

- **Lack of Robust Government Encouragement.** Tax exemptions are rarely given to non-profit organizations: as of 2011, only 0.5% of registered non-profit organizations were granted tax-exempt status. Also, many fundraising techniques are not allowed, such as direct mail and prospect research. There has been some softening of government policy toward NGOs though, as a result of natural disasters and the country's economic problems. The Government Tax Commission revised the country's tax system for donations in 2010, making 50% of funds donated to non-profits deductible. This has not had much effect on donations, however, because of the difficulty in fundraising.
- **Robust Social Services.** Due to the high level of social services provided by the government, there is minimal need for NGOs to fill that role in society.
- **Sustained Overseas Development Assistance.** Similarly, the Japanese government is a generous provider of overseas development assistance to underdeveloped countries. As a result, individuals, families and businesses feel less compulsion to make overseas donations.

### Institutions and Giving

- **Corporate Giving.** There is significant linkage between Japanese corporations and philanthropic giving: half of all foundations are set up by or closely associated with corporations, and in 2004 more than 75% of all charitable donations came from corporate entities.
- **Charitable Trusts.** Unlike foundations, trusts are usually formed by individuals but also occasionally by corporations and local governments. Charitable trusts perform functions similar to grant-making foundations, but are much smaller in size and tend to not have any full time staff.

### Ethnic Distribution



### Basics

Population Millions	126
Population Growth Rate	-0.28%
GDP Per Capita (USD)	\$34,200
Avg. Annual GDP Growth/Capital (2000–2010)	1.12%
Population Below 50% of Average Income	15.7%
Adult Literacy Rate	99%
Avg. Life Expectancy (Years)	82.3
Infant Mortality (per 1,000)	2.8



# Hideo Okubo

## **Multi-Dimensional, Cross Border Educational Support**

Hideo Okubo was born in Tokyo in 1954. At the age of 26, with a law degree in hand, he started his first enterprise with JPY1 million in capital and six employees including his wife and himself.

In 1991, the company was renamed Forval Corporation ("Forval" means creating social value by bringing higher value to customers). Thereafter, Mr. Okubo expanded and diversified the company's commercial activities. After eight years in operation, Forval went public: for its time, a Start Up-to-IPO record among Japanese companies.

A few years ago, Mr. Okubo was inspired to examine the challenges facing Cambodia after a friend launched an initiative to clear landmines in that war-torn country. The Pol Pot regime (1976-1979) had decimated the intellectual class in Cambodia. Although in recent years significant investment had been made in education, the standards of education are still very low.

In 2008, Mr. Okubo established The Cambodia International Education Support Foundation (CIESF) for the purpose of improving the quality of education in Cambodia. By focusing on teachers and the larger educational infrastructure rather than direct grants to students, the foundation's goal is to have an impact on the most number of beneficiaries possible. As far as execution of this vision, he describes his approach as including both "top-down activities in collaboration with the government" as well as "bottom-up activities including local NGOs". Engaging stakeholders on both levels ensures feasibility of long-term operations in Cambodia, as well as effectiveness and applicability with the aid of organizations that are familiar with the local environment.

Hideo Okubo shares some lessons learnt on his experience so far: "We cannot continue giving. Cambodians are too used to receiving and need to realize that they need to stand on their own two feet. External organizations should not stay on site for long periods. By simply giving, while others just receive, will not allow me to provide anyone with a bright future. Philanthropy has closed the door on simply giving and we need to move towards a second stage of working together with people to help them have an independent future. One important aspect of philanthropic activity is that you need to encourage people to become independent and self-reliant. The issue we need to tackle going forward is to question ourselves, question the relevance of our offering."

## The Cambodia International Education Support Foundation

<b>Build Capacity</b>	Cross-Border Teacher Transfers	Experienced science and mathematics Japanese teachers are sent to Cambodia to strengthen local teaching skills. Japanese professors are sent to teach at the Cambodian National Institute of Education (NIE). Cambodian instructors are invited to Japan to further strengthen pedagogical skills.
	Strengthen Teacher Training Institutions	CIESF is working with The Royal University of Phnom Penh to establish a School of Education. CIESF is supporting graduate school courses in educational policy and development.
<b>Drive Sustainability</b>	Promote Entrepreneurs	Supported by Waseda University in Japan, business management courses at Cambodian universities are supported. An annual business plan competition is supported, with awards for entrepreneurial activities.
	Promote Agricultural Technology	Supported by Japanese universities, agricultural technology courses at Cambodian universities are supported.
<b>Leverage Alliances</b>	Build Network of Universities	Japan Cambodia Thailand

# Malaysia

## A Profile of Giving

- **Religious Giving.** Malaysia is a Muslim-majority country, and as part of their faith, Muslims are required to contribute 2.5% of their incomes to charitable causes. This institution of giving (zakat) is well established in Malaysia.
- **Minority Affiliation-Based Giving.** Chinese and Indian minority communities also engage in charitable giving, often directed toward their own communities. In the case of the Chinese population, substantial donations go to clan organizations and cultural organizations. In the case of the Indian population, substantial donations are made to guilds, religious organizations and youth organizations.

- **Education a Major Sector.** 42% of the financial contributions of our Malaysia-based respondents were directed towards the education sector during the year 2010.
- **Corporate Social Responsibility.** Corporate philanthropy is occasionally motivated by tax incentives provided by the government. Moreover, for most of the Malaysian companies, their CSR activities are aimed at enhancing long-run financial performance by strengthening their reputation and enhancing their business relationship with the (i) government and (ii) their target market.





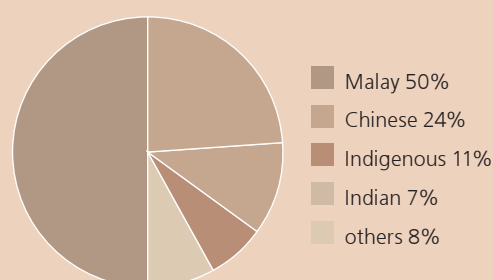
## The Government and Giving

- **Low-Key Philanthropy.** Many major philanthropists in Malaysia, including a number who have previously been listed on the Forbes list of leading Asian philanthropists, prefer to maintain the confidentiality of their activities. According to several sources, in addition to a personal and cultural disposition to maintain confidentiality, a number of philanthropists have concerns as to the political or business implications of disclosure of their philanthropic activities.
- **Role of the Sultans.** Malaysia is a federal constitutional monarchy, with the monarch's role being rotated among the nine Sultans of the Malay states. As hereditary rulers and formal heads of Islam in their state, the Sultans wield considerable influence in shaping the direction and intensity of philanthropy in their states.
- **Tax incentives for Religious Giving.** For individual giving, the government gives tax incentives for those who give according to Islamic law. The construction of religious buildings (mosques, churches and temples) is also tax-deductible.
- **Tax Incentives for Foreign Educational Institutions.** The Malaysian government has prioritized education and technology development, and encourages foreign universities, R&D institutions and other educational institutions through 10- year tax exemption to set up campuses in designated education zones.

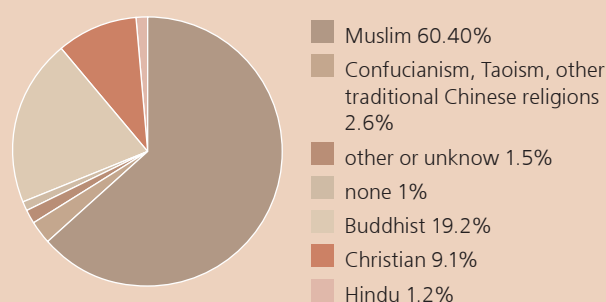
## Institutions and Giving

- **Government and Non-Profit Education Collaboration.** To bolster the educational options in Malaysia, the government provides funding to private non-profit educational institutions at all education levels.
- **Other Practical Factors in Corporate Giving.** Apart from tax breaks, corporations in Malaysia are engaging in philanthropy for public relations reasons: raising their profile in the community and establishing trust among those benefiting from charitable donations.
- **Collaborative Giving.** Several of the major foundations in Malaysia that were established and funded by a single family have succeeded in diversifying their funding sources and now attract contributions from a range of individuals, families and companies.

### Ethnic Distribution



### Religious Distribution



### Basics

Population Millions	29
Population Growth Rate	1.58%
GDP Per Capita (USD)	\$14,700
Avg. Annual GDP Growth/Capital (2000–2010)	6.83%
Population Below Poverty Line (US\$ 1.25/day)	0.54%
Adult Literacy Rate	88.7%
Avg. Life Expectancy (Years)	73.8
Infant Mortality (per 1,000)	15



# The Pahang Royal Family

## **Community-Driven Environmental Transformation**

Pahang is the largest state in peninsular Malaysia, covering over 36,000 square kilometers. The state has substantial rainforest cover and extensive beaches and waterways. The state's traditional, but declining, industry (timber and wood products, agriculture and fisheries), and newer, and now largest industry (tourism), are in opposition to each other. The traditional industry has been depleting the state's rain forests and spoiling her pristine beaches and waters; the new industry celebrates these unique resources. But traditional industries still employ the majority of the state's population of approximately 1.5 million.

The Sultan of Pahang, HRH Sultan Ahmad Shah, plays a central and multidimensional role in the state: the Sultan is the formal head of state; he is the formal leader in the state of the Islamic faith; through enterprises, his family is a substantial employer in the state; as the central source of traditional authority, he helps to shape public opinion; and he and his family are deeply engaged in philanthropic causes.

Until recently, the royal family's involvement in philanthropy and social causes has been extensive, but traditional. Through a trust established by the Sultan, the family contributes regularly to educational institutions, provides scholarships, donates to religious institutions and supports the indigent, widows and orphans. Equally, if not more importantly,

the family acts as the leader for philanthropic and social causes in the state. Their sponsorship and support of such causes predictably attracts substantial individual and corporate contributions from across the state and country.

The Sultan's youngest son, Prince Fahad Shah, a 17-year old enrolled at Eton, has inspired the Sultan and his wife, HRH Sultanah Kalsom, to embark on a bold new initiative. The Sultan and Sultana have embraced their son's passion for the environment and for maintaining the natural beauty of Pahang. In 2011, the family launched the Temenggong Initiative, dedicated to the community-driven environmental uplift of Pahang.

## **The Temenggong Initiative Strategy**

- Family drives environmental awareness and coordination across the state.
- Family seeds community-based initiatives to upgrade the environment and enhance education, skills and local income opportunities.
- Community members are inducted to ensure sustainability of the initiative.
- The family uses its unique position to marshal governmental, individual and corporate resources to a common goal.

## Philanthropic Focus

Activity	Insight	Strategy
<b>Information Hub</b>	Many NGOs, universities and government agencies have researched Pahang's environment, but these studies are poorly coordinated and disseminated.	The Initiative will take as a priority the more effective coordination and dissemination of research, including most critically among the population.
<b>Coordinated Implementation</b>	Translation of research into policy and implementation of policy is relatively weak.	The Initiative will focus closely on effective design and implementation of policy, and will play a critical role in including local communities in the effort.
<b>Urban Awareness</b>	Pahang's population is unevenly distributed among densely concentrated urban areas and sparsely settled rural and forest areas.	In the relatively well-off urban areas, environmental awareness will be developed through schools and public areas, with intense use of modern media.
<b>Rural Awareness and Income Generation</b>	The communities in rural and forest areas derive much of their income from logging, agriculture and fishing, not from tourism.	These communities will be strongly supported to develop local eco-tourism, home stays, artisanal products and herbs and health products. An important component will be an "Adopt-a-Kampung" program to link sponsors to specific communities.
<b>Seed Funding and Piloting</b>	While substantial government and corporate funds and resources could be tapped, these are often poorly directed and disconnected from the community.	The Initiative will provide seed funding and will catalyze the environmental and community outreach program.

### The Temenggong Initiative

The aim of the Temenggong Initiative is to preserve and up-lift Pahang's environmental and natural resources, with local communities constituting central stakeholders and beneficiaries. The Initiative will focus on a range of environmental matters, including reclamation of habitats lost to logging, farming and industry, responsible waste disposal, pollution control, protection of natural species and sustainable use of natural resources.

Launched in April 2011, the Temenggong Initiative has been incorporated as a separate company, with seed funding from the royal family, and a dedicated, multi-disciplinary staff. According to Kamal Arifin, one of the principal professionals involved in the initiative: "For starters, we have inducted about 40 community activists, who will lead our community awareness and enablement program. We are launching our Adopt-a-Kampung program with five communities, with a combined population of over 5,000 people. By end of next year, we intend to be operational in three hundred communities across Pahang."

# Philippines

## A Profile of Giving

- **Long History of Faith-linked Philanthropy.** The concept of organized philanthropy in the Philippines originates from the Spanish occupation, when the Church directed the wealthy to donate to charitable causes or obras pias. As Asia's largest Catholic majority country, religious values such as charity are ingrained in society.
- **Family Traditions.** High net worth families in the Philippines often have traditions of giving that go back for generations, with heads of the families setting the example for younger members.
- **Household Giving.** Household giving across the Philippines as a percentage of income was 1.8%, much of that given in small amounts to religious institutions (an average of about US\$ 11 per household per year to churches).
- **Volunteerism.** The Philippines enjoys a high rate of volunteerism: 80% of individuals and organizations engage in some kind of volunteer, social or community work.
- **Education a Major Sector.** Our Philippines-based respondents reported education as the sector they donate the

most to, with all of the interviewees citing the sector as one of the main focuses of their philanthropic projects. In 2010, 17% of contributions made by our Philippines-based respondents went to the education sector.

- **Domestic Problems Drawing Funds.** According to our Philippines-based respondents, 66% of their financial contributions were directed to causes inside the country during the year 2010. A main reason for this is the need to address internal issues: poverty, access to decent health care and other social problems.
- **Potential for Social Entrepreneurship.** 46% of our Philippines-based respondents view the emergence of social entrepreneurship as the most significant current trend.
- **Fund Raising Challenge.** 46% of our Philippines-based respondents said that fundraising and finding co-investors is the most significant challenge in philanthropy. This coincides with the central position that third-party fundraising has in their sources of funding: 30% of respondents replied that it was a major source.





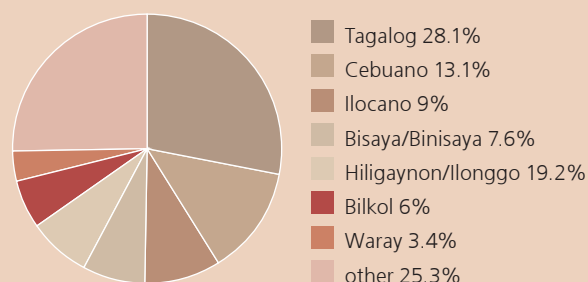
### The Government and Giving

– **Weak Tax Incentives for Individuals.** Tax breaks are given to civil society organizations for income taxes, foreign donations and donor’s (gift) tax. Corporations also enjoy substantial tax incentives to donate. However, in many cases individual donors do not enjoy income tax breaks for donations with pure-compensation income, so there is little incentive for them to give.

### Institutions and Giving

- **Grant Dependency.** The majority of NGOs in the Philippines are dependent on grant funds, especially since flows of government and international aid have been slowing. NGOs have had to find other sources of income, such as family philanthropy and public fundraising.
- **Constitutional Recognition.** The 1987 Constitution recognizes NGOs and non-profit organizations as extensions of “people’s power”, and designates their right to assist people in participating in official and community decision-making.
- **Accreditation Body.** The Philippine Council for NGO Certification (PCNC) is a partnership between national NGO networks, the Department of Finance and the Bureau of Internal Revenue. The PCNC reviews NGO credentials as a measure for determining granting of official “donee” status and tax incentives. Other government bodies have their own NGO accreditation procedures, such as the Department of Health, Department of Social Welfare and Development, Department of Environment and Natural Resources and the Department of Agriculture.

### Ethnic Distribution



### Basics

Population Millions	102
Population Growth Rate	1.9%
GDP Per Capita (USD)	\$3,500
Avg. Annual GDP Growth/Capital (2000–2010)	7.09%
Population Below Poverty Line (US\$ 1.25/day)	22.62%
Adult Literacy Rate	92.6%
Avg. Life Expectancy (Years)	71.66
Infant Mortality (per 1,000)	19.34



# AY Foundation

## **A Founder's Vision Carried Forward**

Alfonso T. Yuchengco, who started the Bayanihan Foundation in 1970 (later renamed the AY Foundation), is the head of Yuchengco Group of Companies and former Philippines Ambassador to China, Japan and the United Nations. The foundation was originally created as an educational fund to support the children of employees of the family business, but gradually expanded to include impoverished populations in the Philippines and to other core causes such as health and poverty alleviation. The foundation's board meets three times a year to evaluate current and prospective projects; however, the foundation does not necessarily elect to choose a new project every session or even every year.

With a clear vision that the family should play a role in philanthropy, Ambassador Yuchengco actively involves the 2<sup>nd</sup> and 3<sup>rd</sup> generations in the foundation. Though not all family members are involved on a daily basis, one of his granddaughters is working full time for the organization. A key success of Ambassador Yuchengco in involving his family has been his ability to share his philanthropic vision with the younger generations, and therefore create a legacy of values for the family. As a result, the foundation continues to adhere to the giving strategy as originally defined by Ambassador Yuchengco, with little variation in the philanthropy's overall approach and goals. The family's involvement in the AY Foundation has been institutionalized through the foundation board on which members sit. However, not to compromise on its ability to

make the best informed decisions, Ambassador Yuchengco also invited representatives of the family business and external qualified persons also sit on the board alongside the family.

Because all of the funding for the AY Foundation comes from the family's businesses, many aspects of the foundation's giving are informed by the business and its activities and employees are also encouraged to participate in the activities of the foundation. The original intent of the organization – to provide support to employees' family members – is still carried on through an in-house educational scholarship that is available based on merit and financial need. The foundation also encourages company employees to participate in charitable causes such as disaster relief as a way to spread the culture of giving to the business side of the family endeavors.

The close relationship between the business and family foundation serves to sustain the foundation. A steady stream of support (1% per year of taxable income) from the family companies reflects Ambassador Yuchengco's vision of "social return on investment": private investment for the public good, resulting in health, economic, educational, housing and community development.

### **AY Foundation Poverty Alleviation Strategy**

- Create awards to recognize and incentivize those who spend their time and energy to work with the poor.
- Develop a new generation of community leaders through training programs and volunteer activities.
- Position the family foundation and the family business to have close ties, creating crossover benefits.

### **Blessed Theresa of Calcutta Award**

In partnership with the Manila chapter of Junior Chamber International (JCI), the AY Foundation co-created the award to publicly recognize individuals who dedicate their lives to serving the impoverished. Half of the award money goes to the project that the recipient supports, in order to reinforce its sustainability and increase the potential impact.

### **The National Discipline Awards**

The foundation gives awards to high school students who exhibit self-sacrifice, leadership and good character. This encourages new leadership and thinking in solving the problems that cause poverty in society. It is also a vehicle to attract talented young minds to work for the family business and foundation.

### **Championing the Youth for Community Leadership (CYCLE)**

Through leadership training and volunteer work, the foundation develops young community leaders in poor communities across the Philippines.



Ambassador Yuchengco and Mother Teresa

# Consuelo “Chito” Madrigal Foundation

## Maintaining High Standards in Philanthropy

The late Doña Consuelo “Chito” Madrigal was the fourth daughter and fifth child of seven children of Doña Susana Paterno Madrigal and the Philippine industrialist Don Vicente Madrigal, patriarch of the Madrigal Family, a great entrepreneur who successfully carried out businesses spanning from coal, oil and sugar trade to shipping and real estate to banking and manufacturing, among others.



Doña Consuelo  
“Chito” Madrigal

With the clear vision to improve the quality of life of distressed individuals and families through strategic and holistic approaches, addressing basic human needs, Doña Chito Madrigal founded her philanthropic foundation in 1997.

Moved by her sincere desire to undertake an integrated human development mainly through education with the spirit of enterprise, her magnanimity has spread throughout the various areas in the Philippines, namely: Bicol Region, the Tagalog Region, NCR (National Capital Region) specifically the Payatas community, and extending to the Visayas i.e. to include Biliran, Leyte.

In these select poor communities, she has touched thousands of lives of needy and hungry children and families mainly through scholarship, nutrition, skills training, livelihood and housing programs.

Aimed at maintaining high standards in its social responsibility, Consuelo “Chito” Madrigal Foundation, Inc (CCMF) seeks strict selection criteria and implementing guidelines among its beneficiaries and collaborating organizations.

With no “dole-out” mentality as clearly indicated by its founder, CCMF requires to foster that participative spirit among the social players, including the beneficiaries themselves via its “pay-back schemes” These could be in the form of either minimal financial contribution, or their “sweat equity” i.e. rendering some designated hours of work.

Through these various schemes, the foundation hopes to uphold as its founder would say: “the human dignity” of each one, promoting that “sense of ownership” and true, sustainable human development. Doña “Chito” Madrigal entrusted her nieces Susana Madrigal and Gizela Gonzalez to ensure that her legacy is carried out through the foundation.

### Setting Standards

To uphold performance standards throughout the projects, the foundation uses the following measures:

- Reassessment of actual needs through research & interviews
- Review of program implementing plan and guidelines vs approved budgets
- Annual audits
- Dialogues with implementing organizations, beneficiaries, etc
- Gathering of notes of experience and best practices

Through these measures, the foundation ensures criteria of credibility and good governance. Likewise, through these measures recipients have a long-term strategy for success.



The Madrigal Building at Pleasant Hill has become a resounding word that the poor would not get lost if they wish to have a quick and purposive response to their concerns on welfare

### Mission

*To help raise the quality of life of Filipino families with particular emphasis on providing livable environments, addressing basic needs, creating opportunities for advancement and productivity.*



# The Ramon Aboitiz Foundation

## **Professionalized, Collaborative Philanthropy Sustained Across the Generations**

Representing five generations of family philanthropic tradition, the current generation of the Aboitiz family has a natural understanding of social responsibility that comes from such a long history of giving. This responsibility to the community in which the family prospered is a value that is deeply imprinted by the older generations to the younger ones: “never forget the poor and always remember our roots.” The example established by preceding generations has become part of the family heritage, and reinforces the continuation of philanthropy across the generations.

The family foundation is named the Ramon Aboitiz Foundation, Inc. (RAFI) in honor of the patriarch who began the family tradition of large-scale giving. Established in 1966, the foundation’s mission as an architect of change is elevating lives through comprehensive approach that champions best practices in community development. To meet these goals, the foundation seeks to assist disadvantaged members of the community and develop robust participation in NGOs and local governments, with the assistance of other charitable organizations, government, likeminded companies and individuals.

A high level of professionalism is a major factor in maintaining program effectiveness, and in converting funding into effective levels of assistance for the end recipients. Virtually all of the ongoing programs supported by the foundation are headed by separate professional management executives, hired from outside the family. A publically-available detailed report is released annually, including an independent auditor’s report with breakdowns of all activities and expenditures.

The Ramon Aboitiz Foundation, Inc. attributes for community leadership development:

- Collaboration with organizations that can contribute specialized knowledge and expertise, making the process of change inclusive;
- Holistic conceptualized programs that look into multi-issues and comprehensive solutions;
- Be a role model by utilizing best practices and exploring innovative solutions.

RAFI engagements are in integrated development, education, microfinance and entrepreneurship, culture and heritage and leadership and citizenship. In integrated development, the foundation enhances the quality of life of urban and rural communities through good governance practices, access to health services and protection of the environment.

To create a better foundation for education and learning environment, RAFI rehabilitates infrastructure and improve the education system. RAFI has assisted women to become entrepreneurs to gain stable financial support to their families. The foundation's culture and heritage program helps communities understand and appreciate their identity.

The leadership and citizenship programs seek to nurture future leaders and influencers by sponsoring youth leadership programs, like the Young Minds Academy and the Kool Adventure Camp, that inspire young people to share ideas and get involved in their communities. It also creates fora for members of the community to discuss local issues and enhance citizen participation in discussions on current events, such as the global financial crisis, national and local politics and environmental issues. Speaking events featuring government officials, private company executives, academics and journalists offer a chance for raising citizen awareness and discussion.



The Ramon Aboitiz Foundation supporting education

# Singapore

## A Profile of Giving

- **Family to Institutional.** Traditionally, philanthropy was individual and family sourced, but institutional and corporate charity is becoming more commonplace. Today, 35% of donations are from individual sources and 65% are from corporations.
- **Doubling of Giving.** As the country with the highest concentration of millionaires in the world, Singapore’s strong economy provides context for the doubling of total charitable donations from 2001-2009: US\$ 308 million to US\$ 556 million.
- **Catch Up Needed.** Charitable donation amounts are still relatively low: 0.3% of GDP in Singapore, vs. 2.2% of GDP in the US.
- **Generational Shift.** There is a generational shift underway: the older generation was generally content to make donations; the younger generation is becoming involved through volunteering and management of charity organizations.
- **Rise of Volunteerism.** Volunteer participation increased substantially from 9.3% in 2000 to 23.3% in 2010.

## The Government and Giving

- **Inward Focus.** Tax incentives strongly favor charities focused on activities within Singapore: donations to qualifying organizations receive a 2.5x tax exemption, and NGOs don’t pay tax if at least 80% of their assistance stays within the borders. Donations to foreign causes are not tax deductible.
- **Steering Through Match Funding.** Government match-funding programs (e.g., for universities) further channels giving into targeted sectors.

Population in public housing	3+ million (80%)
Students in public schools	520,000
Public medical centers	14
Amount of medical costs subsidized	50–80%



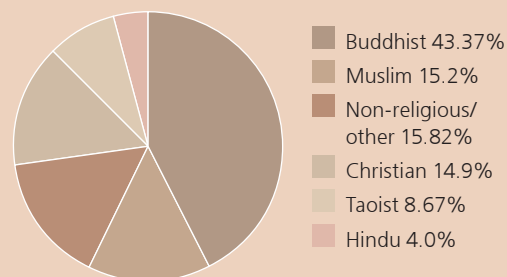


### Institutions and Giving

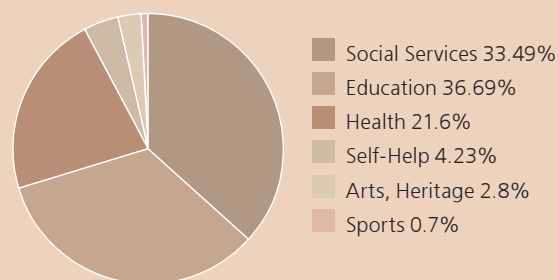
- **Regulator.** The Commissioner of Charities (CoC), under the Ministry of Youth Development, Community, and Sports, regulates the philanthropic sector. CoC is slow to grant licenses, especially for charities looking to work overseas.
- **Association.** The National Volunteer and Philanthropy Center (NVPC) is the main facilitating organization for Singapore charities; it matches donations with causes, facilitates volunteer leadership and issues government start-up grants. NVPC uniquely combines philanthropy and volunteerism.
- **Registered Charities.** Religious charities dominate in number but not necessarily in funding.
- **Online Giving.** SG Gives is an Internet portal run by NVPC, which facilitates direct online donations to non-profit organizations.



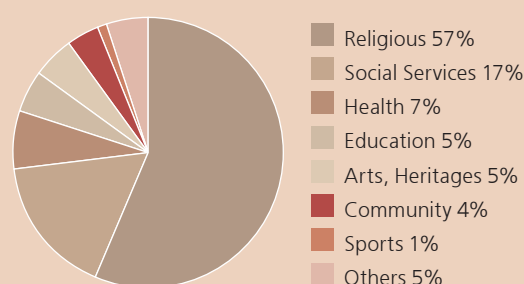
### Religious Distribution



### Donations, by cause



### Charitable Organization Types



### Basics

Population Millions	4.7
Population Growth Rate	< 1%
GDP Per Capita (USD)	\$57,200
Avg. Annual GDP Growth/Capital (2000–2010)	5.7%
Adult Literacy Rate	92.5%
Avg. Life Expectancy (Years)	82
Infant Mortality (per 1,000)	2.3



# The Lien Foundation

## **Radical Philanthropy: Thinking – Acting – Scaling**

*“Those to whom much is given, much is expected.”*

*Luke 12.48*

This is the single most influential belief that guides Margaret Lien, wife of the late Dr. Lien, the man behind the Lien foundation. “For my husband, it was always in the back of his mind that he had to give back to society.” It is this idea of philanthropy being synonymous with living that drove the Lien foundation to help in the magnitude that it has.

Lien Ying Chow, was born in 1906 in a village in Guangdong Province, China. Orphaned at the age of 14 and deprived of a formal education, he traveled to Singapore and secured work as a shipping clerk. At the age of 21, he set up his first enterprise, and over the next ten years built up a highly successful trade business. In 1949, he established the Overseas Union Bank, which grew to become one of Singapore’s largest banks.

Having achieved immense success despite coming from humble beginnings, Dr. Lien recognized the struggle faced by a vast majority of people. To address this, he felt that “people needed to be given opportunities - either monetary or otherwise (educational) - that would give them the initial chance.”

In 1955, Dr. Lien co-founded the Nanyang University to address the lack of options ethnic Chinese students had for tertiary education at the time. The institution still exists today as the Nanyang Technological University (NTU). In 1980 he donated almost half of his wealth to set up the Lien Foundation, which currently gives mostly to education, health, the environment and elder care. Mrs. Lien carried on the role of foundation chair when Dr. Lien passed away in 2004, a position she held until 2009.

The foundation still contributes a large amount of support to NTU, both to their School of Public Administration and to the Environmental Endeavour program, which focuses on clean water, sanitation and environmental education in impoverished areas in China, Cambodia, and Vietnam. Recently the foundation’s strategy has evolved to cover three major areas where it plans to have an Asia-wide impact: education for children in disadvantaged communities; water; and elder care.

## **The Lien Foundation Sector Strategy**

- Focus on social service gaps in selected sectors and selected countries.
- Establish and fund specialized entities with sector-specific mandates.
- Develop a network of contributors: government; universities; MNCs; and regional companies.

	Education	Environment	Eldercare
Think	Research program with three universities on best practices in supporting children with development challenges in disadvantaged communities.	Research program with the Nanyang Technological University on technologies and best practices in improving water and sanitation services in marginal communities.	Sponsorship of the first world ranking on Quality of Death, conducted by Economist Intelligence Unit.
Act	Teacher training program to empower pre-school teachers to guide children with development challenges.	The Lien Foundation through its subsidiary Lien Aid has invested in water and sanitation projects in China, Vietnam, Cambodia and Indonesia.	Happy Coffins is part of a foundation sponsored initiative to help people deal positively with death.
Scale	The "Mission: I'm Possible" (MIP) Program works with a hospital group and communities to deliver effective education for children with development challenges. MIP includes teacher training, delivery support and customized education programs for each child.	The WASH initiative in Cambodia (which includes USAID support) is helping build a sanitation supply chain in rural communities. It includes developing local masons and manufacturers and empowering women as sales agents.	The foundation is working with Motorola to develop a Nursing Care Service Delivery System for nursing homes across Singapore.

### The Think – Act – Scale Model

The evolving Lien Foundation model involves thinking (establishing a thought leadership position in a given field, including by collaboration with academic institutions), acting (including establishing pilots in collaboration with governmental and other institutions) and scaling (designing initiatives as separate entities, with specific mandates and professionalized boards, to enable other contributors to come in).

### Eldercare Explored

The Lien Foundation's eldercare projects address a range of issues regarding care for the elderly. Through its Integrated Care in Place program, it offers personalized services such as monitoring for degenerative diseases and medical management. Project Ingot supports the improvement of elderly care facility processes by introducing the latest IT, database and other types of technology into the administration.

The foundation also addresses quality-of-life issues for elderly people suffering from life-limiting diseases. The Lien Centre for Palliative Care partners with the National University of Singapore Medical School, the National Cancer Centre Singapore and the government-run Singapore Health Services to deliver care that relieves suffering and increases

the quality of life for affected elderly. The first of its kind in Singapore, the center serves to raise awareness about the importance of end-of-life care, and to train medical staff on methods to ease suffering and deal with the side effects of diseases and harsh treatments.

One concept that the Lien Foundation seeks to make a difference with is "quality of death," which supports efforts to make people more comfortable with the thought of death. To this effect, a unique project that the foundation is supporting is called Happy Coffins, which seeks to turn the image of the coffin from a symbol of fear and grief into an expression of art and appreciation of life. The foundation commissioned artists and children to design coffins for residents of a hospice, based on the lives and interests of those residents.

"I always remember all these old ladies sitting outside his office, and he would just ask, OK how much you want?" Mrs. Lien fondly shares. With this spirit of generosity combined with a highly professional approach, the Lien family legacy carries on for generations to come.

# Taiwan

## A Profile of Giving

- **Selective Giving Traditions.** The general approach in Taiwan towards philanthropy appears to be selective; many are inclined toward giving to relatives or people within their social circle. Also, many Taiwanese people tend to engage in charitable activities for religious purposes and benefits.
- **Giving to Benefit Children and Youth.** Our Taiwan-based respondents reported that 20% of their 2010 contributions went toward benefitting children and youth programs, much more than in other Asian countries.
- **Geographical Focus.** A majority of philanthropic giving among respondents is directed towards continuing social and development needs within Taiwan.

## The Government and Giving

- **Effect of Political Changes.** Our Taiwan-based respondents said that 70% of their philanthropic initiatives were established in the 1980s and after. This corresponds with the end of martial law in 1987, which led to a liberalization of Taiwanese government policy, and an expansion of civil society organizations.
- **Shifts Due to Policy Development.** A major agent of change in the Taiwanese philanthropic landscape is attributed to the commencement of a ‘community-oriented welfare approach’ to privatize social welfare services through the non-profit sector. The government has also been outsourcing some social welfare service responsibilities to more eligible and qualified non-profit organizations/foundations.
- **Relatively Weak Tax Incentives.** The government does not actively promote charitable activities through tax incentives. As of now, corporate donations to non-profits are tax exemptible up to 30% of the total annual business revenue, while the tax exemption for individual donations is 10%.

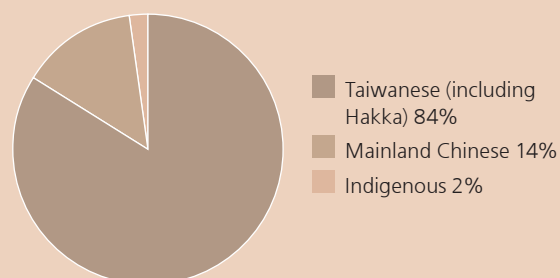




## Institutions and Giving

- **Organization of Information.** A leading Taiwanese foundation, the Himalaya Foundation, has contributed to the organization of information about philanthropy in Taiwan, including by provision of a database of philanthropies, development of research reports and establishment of a center to assist non-profits with Information Technology. As such, an initial platform for collaboration has been established in Taiwan, which needs to be built upon by other foundations.
- **Religious Philanthropies.** Religious, especially Buddhist, philanthropies in Taiwan are very large and attract not only unsystematic, small donations from individuals but larger, more systematic grants from families and businesses. Tzu Chi Foundation, a Taiwanese Buddhist charity, works in the areas of disaster relief, education, healthcare, charity and social welfare, environmental protection and the spread of humanistic culture. Tzu Chi has more regular donors (10 million, mostly Buddhist), active volunteers (two million) and operations in more countries (close to 400 offices in 48 countries) than any other charity based in greater China. In 2008, it raised US\$ 314 million. Tzu Chi is now involved in disaster relief operations in all the six major continents.

### Ethnic Distribution (by origin)



### Basics

Population Millions	23.2
Population Growth Rate	<1%
GDP Per Capital (USD)	US\$ 35,800
Avg. Annual GDP Growth/Capita (2000–2010)	4.6%
Adult Literacy Rate	91.6%
Avg. Life Expectancy (Years)	78.3
Infant Mortality (per 1,000)	5.2



# Cathay Charity Foundation

## **Assistance at the Margins of Society**

Founded by the late Tsai Wan Lin, the Cathay Charity Foundation has a focus on health and education, as well as general social assistance programs. Dr. Fredrick Chien, former Taiwanese Minister of Foreign Affairs, presently chairs the foundation.

The founder, Mr. Tsai, grew up in a poor farmer's family that cultivated and sold vegetables and soybeans. He got into the insurance business with his brother, and gradually built the Cathay Life Insurance Company into the largest insurance firm in Taiwan. With the incorporation of banking and venture capital functions, Cathay Financial Holdings is now the largest financial holding company in Taiwan. Despite his personal struggle to succeed, Mr. Tsai believed that wealth is ultimately provided by society, and that giving back to the least advantaged members of society is an obligation.

As with many family philanthropies in Taiwan, there is a close link between the founder's for-profit company and the foundation. Employees of companies under Cathay Financial Holdings are encouraged to contribute to the foundation's charitable activities through volunteerism. Employees are offered the opportunity to volunteer in assisting disadvantaged Taiwanese families, while still receiving full pay. Apart from impoverished households, the program also places employee volunteers with elderly, single-parent and physically or mentally handicapped individuals and families.

Another area of focus for the Cathay Charity Foundation is to help recent immigrants to Taiwan adjust to society, through programs like language training and helping their children with after class homework.

## **Cathay Charity Foundation's New Immigrant Caring Program Strategy**

- Focus in on areas where there is a substantial need not being addressed.
- Work in collaboration with local NGOs and educational institutions to leverage their experience and knowledge.
- Consider ways to assist both immigrants and their children.
- Bring together new immigrants with their neighbors through weekend bazaars held in neighborhood parks.



Dr. Fredrick Chien surrounded by children at a youth camp of the Cathay Charity Foundation

### **New Immigrant Caring Program**

There are close to 370,000 female immigrants from South-east Asia and other regions that have migrated to Taiwan and married into the local population. These immigrants, typically unable to speak any Chinese language, form an invisible underclass in Taiwan. Because of their difficulty to integrate, they are unable to make a meaningful financial contribution to their families. And their children, unsupported by home tutoring, tend to be left behind in the highly competitive Taiwanese school system.

The Cathay Charity Foundation has established the New Immigrant Caring Program in order to support these new immigrants and their families in a comprehensive, holistic manner.

To leverage expertise and outreach, the foundation works with multiple partners on this program, including:

- Shepherd Welfare Service
- The World Peace Foundation
- The Early Childhood Education Department of Chayi University
- Teachers at Guang Fu Elementary School

Many of the immigrants have little or no prior exposure to local society, language or culture. The program offers assistance in the form of Chinese language tutoring and role-plays to prepare them for the social interactions they will have with other members of society.

Another aspect of the program encourages exchange between immigrant mothers and their children's teachers, through question and answer sessions and information sessions about how to best reinforce in-class learning with at-home reading and educational games.

Through the Cathay volunteerism program, employees of the different Cathay financial institutions are encouraged to link up with families with immigrant spouses in order to provide regular support in acculturation. These volunteers are also able to assist the children of immigrant mothers with their schooling.

For immigrant mothers in low-income, rural regions, the foundation also hosts a book donation drive to supply their children with learning materials and to close the knowledge gap between rural and urban areas.

# Chang Yung-Fa Foundation

## **Sustainable Philanthropy to Promote Arts and Culture**

As founder and group chairman of the Evergreen Group in Taiwan, Dr. Chang Yung-Fa built his company into one of the largest cargo container shipping firms in the world (Evergreen Line). The company has since expanded to other forms of transportation, such as passenger airlines (EVA Air) and cargo aviation (Evergreen Air Cargo Services Corporation).

Dr. Chang is deeply involved in philanthropic giving through the foundation he established in 1985, the Chang Yung-Fa Foundation. He believes that success is made possible by communities, individuals and institutions that have assisted people in need, and that "entrepreneurs should give back to society when they are successful; they cannot forget their roots, which is society." Dr. Chang is personally involved with the foundation's activities on a day-to-day basis, and receives a daily report on the status of the foundation's philanthropic projects.

The Chang Yung-Fa Foundation supports two main categories of causes: charity-related, and arts and culture. Charitable giving includes education and disaster relief. Education support comes through scholarships to young people desiring an education but who cannot afford schooling and student living costs. These scholarships are given out to underprivileged students in Taiwan, but also in the US, Southeast Asia and mainland China.

The foundation supports disaster relief through funding of relief workers and reconstruction donations for stricken individuals and schools globally.

In the realm of arts and culture, the foundation has established the Chang Yung-Fa Museum and the Evergreen Maritime Museum. The foundation also supports the Evergreen Symphony Orchestra, which was established in 2002 and seeks to preserve Taiwanese music and contribute to the musical awareness of the general public.

Additionally, according to Dr. Chang's personal principles, the foundation also publishes a magazine called "Morals," which provides ethical advice for everyday situations. The publication is given free to schools, individuals and organizations across Taiwan, as well as to elsewhere in Asia.



### **Evergreen Symphony Orchestra**

The Chang Yung-Fa Foundation supported young musicians by sending them to superior music schools and training them to a professional level. The performances of Evergreen Symphony Orchestra generate funds that revert to the organization to support the charity activities. Summer camps, taught by those musicians trained by the program, host music training programs for the public, which also generate income for the orchestra and other foundation activities.



### **Evergreen Maritime Museum**

The foundation established the Evergreen Maritime Museum to preserve and raise awareness about the history and artistry of nautical culture in Taiwan. The museum brings in revenue from admissions and shop sales, which goes to fund its upkeep and charitable aspects of the foundation's giving.



# Thailand

## A Profile of Giving

- **Religious Inspiration.** The general philosophy of giving in Thailand is deeply rooted in Buddhism, which encourages good deeds. Through contact with religious organizations, children learn about the importance of giving and volunteerism at an early age.
- **Royal Influence.** Thailand is a constitutional monarchy and the monarch is highly revered by the people. The substantial influence of the monarchy drives Thai people to make donations to social causes sponsored or supported by the royal family.
- **Growing Wealth Across the Board.** There are a growing number of high net worth individuals based in Thailand who have been seeing their fortunes continue to grow even through the global economic crisis. There has also been a growing Thai middle-class since a modernization period in the 1990s.
- **Early Establishment of Organized Philanthropy.** According to our Thailand-based respondents, 42% of their philanthropic initiatives were established in the 1960s.
- **Family Tradition.** 50% of our Thailand-based respondents cited family tradition as the major source of inspiration for their philanthropic activity.
- **Corporate Social Responsibility.** Many companies in Thailand have included corporate social responsibility as part of their organizational strategy, which includes donations to charity. Some companies see their giving as an extension of their public relations activities, and widely publicize their charitable work, whereas others have grant-making bodies attached to their brand.
- **Disaster Relief and Youth as Major Sectors.** In 2010, our Thailand-based respondents gave an average of 21% of their contributions to disaster relief, which may have resulted from floods and other natural disasters in the region. 19% of contributions were for youth activities, a very high percentage in the region.





### The Government and Giving

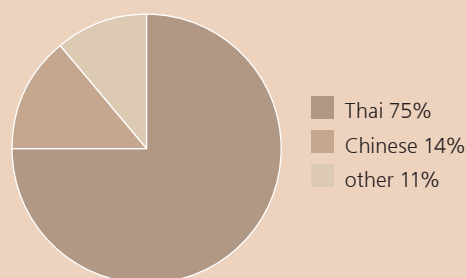
– **Tax Exemptions.** The Ministry of Finance grants tax exemption to ‘third sector’ organizations. To qualify for tax exempt status an organization must be registered with the appropriate government organization for at least three years, and have spent no more than 25% of its budget on overhead for the two years prior. Individuals are allowed to deduct up to 10% of their taxable income for contributions to tax-exempt foundations and associations.

### Institutions and Giving

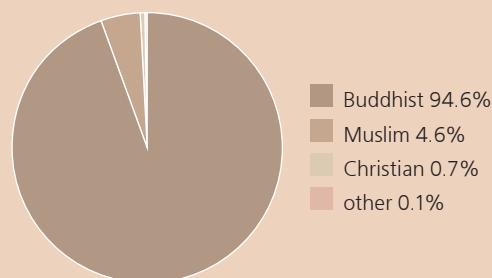
– **Strong NGO Sector.** Both national and international NGOs are well represented in Thailand, and some local NGOs enjoy particularly high recognition due to media coverage and well-known social programs. Thailand is also the Asia regional hub for many international NGOs.

– **Temples as Alternate Giving Centers.** Due to confusion about NGOs and their relation to the government and perceptions about them being untrustworthy, some Thais prefer to contribute to temples because they represent a trustworthy and respectable force in Thai society.

#### Ethnic Distribution



#### Religious Distribution



#### Basics

Population Millions	67
Population Growth Rate	<1%
GDP Per Capita (USD)	US\$ 8,700
Avg. Annual GDP Growth/Capital (2000–2010)	8.18%
Population Below Poverty Line (US\$ 1.25/day)	0.40%
Adult Literacy Rate	92.60%
Avg. Life Expectancy (Years)	73.6
Infant Mortality (per 1,000)	16.4

# Chearavanont Family

## Planting the Seeds of Positivity

When Tipaporn Chearavanont was a child, her father Dhanin used to take her along to the fields in Thailand, where his agriculture business was based. There she would meet field workers who lived in the area with their families. They never seemed like poor people to her, because of the warm and generous way that they treated her. Referring to that formative memory, Ms. Chearavanont says, "I knew that when I grew up I wanted to work for them."

Ms. Chearavanont's father later encouraged her to join him in his charity work with orphans where her challenge was to find a way for the charity to support the orphans' living and education costs through the chicken farm that they built. "This was my first job," she says; "My father asked me to think about how to make the project sustainable. My father once said, 'In order to be successful, you need to think about other people more than yourself.'" She has been doing charity work for orphans since 1993; and these combined experiences led her to establish a formal foundation called Buddharaksa in 2002, which she currently runs with her corporate management team.

Now, as the CEO of the DT Group of Companies in Thailand, Ms. Chearavanont still does a lot of work with children, and uses the business as a tool for doing good for society. "I believe in children and the hope that they represent. Plant seeds of positive thinking, a good heart, the will and capability to help, so that when they grow up they can do whatever they like." She believes that early reinforcement of these characteristics can lead to the development of compassionate leaders, both in the community and on a national scale. Her company emphasizes "the creation of good people; to be successful in anything, the benefits of the majority must be taken into account."

The Buddharaksa Foundation's two main areas of focus are education and religion in Thailand. The two sometimes merge in the support of religious schools, monasteries and nunneries.



The Buddharraksa Foundation supports religious schools, monasteries and nunneries

### **The Buddharaksa Foundation's Education and Religious Giving Strategy**

- Support institutions such as orphanages and schools that already exist but need refurbishment and support.
- Enhance the teaching ability of teachers and institutions by providing methodology training and learning technology.
- Incorporate small-scale entrepreneurial activities into schools to help generate funding.

### **Faith and Education**

The Buddharaksa Foundation supports students in need, both in secular studies and in religious and nursing studies for aspiring monks.

#### **Support Development of Institutional Infrastructure**

By constructing school dormitories and extra classrooms in existing schools, more students can be accommodated. The refurbishment of kitchen facilities and the provision of bio-gas electricity generators supports a healthier and cleaner learning environment.

### **Support Teacher and Curriculum Development**

Methodology and learning technology training equip teachers with new strategies and material to inspire their students. Installation of cable television systems with instructional content and provision of multimedia materials helps enhance the learning experience for students. The foundation also provides educational material at temples, nunneries and monasteries.

### **Provide Sustainable Sources of Income**

Building chicken farms at supported schools and monasteries provides a consistent source of eggs for student and staff consumption, and sales of the surplus generate income for the institution. The foundation also finances restoration and construction of religious centers and their facilities.



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[http://www.asianphilanthropyforum.org/trends\\_in\\_philanthropy/page/4/](http://www.asianphilanthropyforum.org/trends_in_philanthropy/page/4/)

**46. Nippon Foundation**

[http://www.nippon-foundation.or.jp/eng/current/The\\_White\\_Paper\\_of\\_Donation.html](http://www.nippon-foundation.or.jp/eng/current/The_White_Paper_of_Donation.html)

**47. Japan Foundation New York**

[http://www.jfny.org/userfiles/file/CSR\\_Report\\_USA.pdf](http://www.jfny.org/userfiles/file/CSR_Report_USA.pdf)

**48. Private philanthropy to Japan post Earthquake**

<http://globalprosperity.wordpress.com/2011/03/30/private-philanthropy-to-japan-post-earthquake/>

**49. Responses From Charities to the Japan Earthquake and Pacific Tsunami**

<http://philanthropy.com/article/Charities-Respond-to-Pacific/126706/>

**50. Giving for Japan Disaster Tops \$246.9-Million by End of First Month**

<http://philanthropy.com/article/Giving-for-Japan-Tops/127090/>

# Research Methodology





The target respondents for our research consisted of individuals, groups of individuals, families, philanthropic foundations and trusts and family-controlled businesses engaged in substantial philanthropic activities that are principally based in:

- China
- Hong Kong
- India
- Indonesia
- Japan
- Malaysia
- Philippines
- Singapore
- Taiwan
- Thailand

As we were not researching corporate social responsibility initiatives or corporate giving, we only included a limited number of corporate respondents in circumstances in which (1) the corporation was principally owned and controlled by an individual and (2) the individual and family conducted philanthropic activities substantially through the corporation.

Although specific targets as to wealth of individuals, families and institutions or monetary value of philanthropic activities were not established, the research sought to identify and target the wealthier individuals and families and larger family philanthropies in the target countries. The pool of targeted respondents was developed in each country through customized research, personal and institutional contacts and family philanthropic associations.

The principal research tools used consisted of the following: (1) a formal survey consisting of a multiple-choice series of questions (made available in English, Bahasa [Malaysia], Bahasa [Indonesia], Japanese, Mandarin and Thai); (2) informal, in-depth interviews with academics, entrepreneurs, government servants, philanthropists, professionals and social entrepreneurs; and (3) secondary research on articles, case studies, regulations and reports relevant to individual and family philanthropy.

For our research 203 respondents in the target countries completed the formal survey. In addition, we interviewed over one hundred relevant individuals in the target countries. Most of these surveys and interviews were conducted between December 2010 and June 2011.

While we believe that we have obtained an adequate sampling of perspectives on family philanthropy in Asia, we encountered considerable challenges during our research. In a number of cases, families had not systematically collated information regarding their philanthropic activities. In other cases, data on philanthropic contributions was intermingled with data on activities relating to corporate social responsibility activities. Some families were compelled by a strong cultural disposition to maintain the confidentiality of their philanthropic activities. Other families expressed concern regarding unwarranted governmental scrutiny of their philanthropic activities. The maturation of the sector will in part depend on such concerns being adequately addressed and on more open sharing of information, perspectives and best practices.

## Challenges to Documenting Philanthropic Giving

**By Lalitha Vaidyanathan, Managing Director, FSG Social Impact Consultants  
Nidhi Reddy, Associate Director, Centre for Emerging Markets Solutions, Indian School of Business**

This past year has been abuzz with exciting activity in India's philanthropic sector – from large gifts by industrialists such as Shiv Nadar, Azim Premji and GM Rao to the Buffett-Gates' high profile visit. Against this backdrop, the Indian School of Business (ISB), along with their knowledge partner, FSG, launched a research study with the objective of contributing to India's understanding of the effectiveness of its philanthropy. Through quantitative surveys and qualitative interviews, the project set out to document how much the wealthiest Indians give, their motivations for giving, issues their giving was directed at and the barriers they faced in giving. We learnt a great deal through the research but the process was fraught with challenges. Here we share the challenges we faced specifically in documenting the level of giving amongst our largest donors.

One significant challenge arose from fragmentation in giving. As ownership in industrial houses that have been in existence for multiple generations gets divided amongst many different branches of the family, giving also becomes fragmented amongst the many family members. While many of these families have Trusts or Foundations that were established by earlier generations (Sir Ratan Tata Trust, Pirojsha Godrej Foundation, Jamnalal Bajaj Foundation), younger generation family members are giving of their own wealth to causes beyond the activities of the Trusts. These families often do not themselves have a complete picture of all the giving that is occurring in the different branches of the family.

Another challenge was that while India's wealthiest families generally felt comfortable discussing activities and giving related to their Trusts, they were reluctant to share specifics about their individual giving. They consider that to be

highly personal and not something to be spoken about publicly. In contrast, founders of industrial houses established in the more recent past such as GMR Group, Biocon, HCL, and Wipro, are just now setting up their foundations and were hence, more comfortable discussing the giving and activities of these institutions.

The other significant challenge we encountered was the melding of personal giving with that of giving by the company. A significant number of the philanthropists we spoke to channel their giving through their company foundation or CSR program. For example, GM Rao pledged his entire wealth of 1,540 crores to the GMR Varalakshmi Foundation, the CSR arm of the GMR Group, Kiran Mazumdar Shaw gives through the Biocon Foundation, Anajit Singh through the Max India Foundation and so on. As a result, it is often difficult to separate the giving between that which originated from the company versus that which originated from the individual owner.

Philanthropy has a critical role to play in helping India achieve inclusive growth. However, Indian philanthropists, unlike their counterparts in most other advanced economies, lack information about what their peers are doing, what approaches are working, and what gaps remain.

Thus, we conclude with this appeal – in order for Indian philanthropy to continue to become more effective and efficient, India's largest givers need to get comfortable sharing their experiences. We need to share not just anecdotal feel-good stories, but hard data about the level of our giving, the impact of that giving and lessons about approaches that lead to impact at India-scale.

# Research Partners

The research and analysis for this report was undertaken on a collaborative basis between INSEAD and UBS, with research support being provided by Knowledge Platform and its local partners.

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As one of the leading service providers to UHNW clients worldwide, UBS is very active in philanthropy advisory through its dedicated Philanthropy & Values-Based Investing team.

## **UBS Philanthropy & Values-Based Investing**

As one of the first banks engaging in philanthropy, our commitment to this subject goes back many years. It's a commitment continually reaffirmed, reinforced and expanded.

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For newcomers as well as experienced philanthropists, UBS offers strategic advice throughout all stages of the philanthropic lifecycle, from clarification of personal motivation and objectives to design and implementation of a philanthropic strategy. Strategic advice is complemented by cutting-edge knowledge exchange and educational platforms such as the Global Philanthropy Forum, which connects over 200 of the world's leading philanthropists every year. UBS also offers tailored thematic education events and actively supports the development of social entrepreneurship, partnering with Ashoka in Visionaris Social Entrepreneurship Awards. In addition to strategic advisory services, we also offer practical possibilities to donate to charitable projects on a global scale. Over the past 10 years, the UBS Optimus Foundation has enjoyed the support of in excess of 10,500 donors and has granted more than CHF 100 million to around 260 projects globally.

The UBS Optimus Foundation supports over 100 projects worldwide, of which 39 are dedicated to Asia, focusing on the well-being of children in need. The foundation also offers tailor-made, high-quality search and execution of philanthropic projects for, and in the name of, UBS clients. For those interested in combining social and environmental issues with financial criteria, UBS provides a broad range of values-based investment solutions ranging from portfolio screening services to specific themes (SRI thematic investments) as well as investment solutions combining social impact with financial returns (impact investing).

Further information: [www.ubs.com/philanthropy](http://www.ubs.com/philanthropy)

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With campuses in Europe (France), Asia (Singapore) and Abu Dhabi, and a research center in Israel, INSEAD's business education and research spans three continents. 145 renowned faculty members from 36 countries inspire more than 1,000 degree participants in INSEAD's MBA, Executive MBA and PhD programs. In addition, more than 9,500 executives participate in INSEAD's Executive Education programs.

This report has been led by faculty members at INSEAD's Social Entrepreneurship Initiative, which aims to help advance the potential of social entrepreneurs to address the most pressing global problems in a creative and resource effective way. While social entrepreneurs have emerged in every sector and nearly every market, they often lack the high-level business, management, and strategy skills that have propelled the private sector to its remarkable growth. INSEAD aims to leverage its expertise in management education and training to develop and deliver the world's best executive training for social entrepreneurs.

INSEAD's pioneer Social Entrepreneurship Program (ISEP), launched in 2005 and running annually on both the Fontainebleau and Singapore campuses, has established itself as a valuable program for leading social entrepreneurs and the entry ticket into a valuable life-long network of support and knowledge sharing.

INSEAD's social entrepreneurship research agenda aims to foster a two-way dialogue: advanced management thinking is applied to the challenges of social entrepreneurs while the innovative approach of social entrepreneurs is leveraged back into business research and corporate practice. The Social Entrepreneurship Initiative is housed under both INSEAD's Social Innovation Centre and the Rudolf and Valeria Maag Centre for Entrepreneurship. The Social Innovation Centre is a premier hub for research and learning focused on the connection between business and society. The Maag Centre is the catalyst at INSEAD for innovations in entrepreneurship research, teaching and outreach.

For additional information on the INSEAD Social Entrepreneurship Initiative, please visit <http://www.insead.edu/se> INSEAD was principally represented by Mahboob Mahmood and Filipe Santos.

### **Knowledge Platform**

Knowledge Platform is a next-generation knowledge solutions company with its headquarters in Singapore, and offices in Delhi, Dubai, Islamabad and Tokyo. Knowledge Platform was responsible for identifying and contacting survey respondents, collating and inputting survey data, conducting secondary research and managing the research and drafting process. The Knowledge Platform team included Jasper Liao, Ghaniah Ejaz, Fadzidah Binte Dawood, Masami Kashiwagi, Li Xiao, Sajid Razaque, Monica Sabharwal and Bryan Wang.

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# Appendix

## Publishers

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INSEAD

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