

Philanthropy in Asia

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For generations, giving was traditionally done through endowments to foundations, created by their founders. In the US, Rockefeller, Ford, and Carnegie were the exemplars.

In recent times, giving has evolved into various ways. The norm is “giving while living.” The philanthropy of the new economy now involves billionaires doing system-wide and strategic goal giving that addresses challenges such as climate change, education reform, and endemic disease eradication.

In Asia, the story is different. Throughout the region, charity is a culturally rooted age-old tradition exercised mostly through various forms of almsgiving and checkbook writing. Institutional and strategic philanthropy — similar to the scale and structure seen in the West — is still developing.

A 2010 Barclays Wealth survey found only 16 percent and 23 percent of the rich in Hong Kong and Singapore, respectively, counted philanthropy in their top three spending priorities, compared to 41 percent in the US. A 2010 ranking of giving across 153 countries by UK-based Charities Aid Foundation shows Asia in general lagging behind the rest of the world.

One explanation is said because wealth in Asia — concentrated mostly in family-run or state-affiliated corporations — has been around for only two to three generations; while the wealth of such families as the Rockefellers, Carnegies and the Fords has been around for much longer. And as Dien Yuen, chief philanthropy officer of Give2Asia, said, many of the rich in the region are still coming to terms with their wealth.

A 2014 Singapore Management University study on philanthropy in selected Southeast Asian countries found that most philanthropic giving remains informal, and particularly “tied to religion, personal preference, and social connection rather than evidence of need or a desire to address systemic change.” That appears to be the most logical reason.

The fact is, there are more becoming billionaires in Asia than in the US. And a much greater reason for giving is that the poorest people of the world live in Asia.

There are some hopeful signs. A few of Asia’s wealthy have already started giving big. In 2014, Jack Ma, founder of Alibaba, donated US\$2.9 billion in share options to various social welfare causes and schools, including the Hangzhou Teachers University where he graduated. Azim Premji, chairman of Indian IT firm Wipro, pledged his shares worth US\$8.5 billion to charity.

On the whole, the Asian philanthropy sector can still develop and learn more from its Western counterpart, especially in making sustained philanthropy towards solving broad societal challenges. Clearly, there is more room for the sector to grow given the 2015 World

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Wealth Report noted that the biggest growth in the number of high net worth individuals (HNWI) was in Asia-Pacific.

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