

Introduction

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ASIAN NON-GOVERNMENT ORGANIZATIONS (NGOs) have played a pivotal role in the growth of the region since the time they gained prominence in the 1980s. More than just engaging volunteers to provide relief operations in times of domestic or international crises, or providing basic services to marginalized and underprivileged sectors of society, NGOs have expanded their role to being governments' partners in pro-active policy formation and program implementation. They raise public consciousness of issues, advocate policy reforms, seek alternative development strategies, and create innovative strategies to encourage citizen participation in socio-political and economic matters. They also serve as monitoring institutions of the state, and facilitate international dialogue and understanding through their networking activities. NGOs have also become resource centers in the region, providing the public with information and technical and financial assistance.¹

Factors influencing this dynamism of the Asian non-profit sector are numerous and varied. An important one is the growth of Asian economies within the last two decades, in spite of the regional recession of the late 1990s. As industries expanded and business practices became globalized, more Asian multinational corporations reached out to communities wherein they operated, in response to public clamor for corporate social responsibility. Likewise, wealthy entrepreneurs engaged in charitable giving as a way of giving back to the community, even going so far as taking part in venture philanthropic initiatives.² Governments also played a crucial role in offering support to the non-profit sector, eliciting NGO participation in different levels of government activity, as authoritarian regimes collapsed and democratic states emerged. This, and the recognition that governments gave to NGOs as partners in development, in turn led to increased public acceptance and appreciation of the non-profit sector as a whole. Apart from these, religious and cultural traditions have also helped to promote the philanthropic sector in many Asian countries. Islam, Hinduism, Buddhism and Christianity have their own sets of beliefs about charity, while Confucian teachings and the close family structure in some Asian societies reinforced the idea of helping relatives in times of need.³

No matter how rapid the development of the non-profit sector had been recently, however, NGOs are still faced with challenges that impede on their growth. The biggest of these is the noted decline in international aid, as cited by the Synergos Institute:

“...with rising GNP in the region in recent years and an expectation that the trend will continue, an increasing number of international funding agencies have opted to decrease their support for CSROs.⁴ It remains to be seen whether they will reconsider that decision in light of the recent financial crisis and the adverse impact it is having on employment and income in the region.

“This reduction in international funding in recent years has meant that CSROs have had to turn increasingly to local sources of revenue to continue to maintain their programs ...”⁵

Thus, NGOs must learn to diversify their funding sources, in order for them to be less vulnerable to shifting funding priorities of donor agencies. Traditionally, non-profit organizations have operated on two sources of income: *grants* and *earned income*. Grants are usually awarded by bilateral or multilateral agencies, corporate foundations, or international organizations, while earned income activities are business-like operations that bring in additional revenue to non-profit organizations. These activities may come in the form of product sales, service provision, facilities rental, and other such revenue-generating activities. Although earned income *does* augment an organization's funds, it may not be feasible or sustainable to some NGOs, as it presents its own set of organizational challenges, and has even led to some lawsuits in Bangladesh and in other parts of the region.⁶

However, the challenge to diversify funding sources presents another opportunity for non-profit organizations to gain the support of individuals through *gifts and contributions*. While these have been largely untapped sources of income for most NGOs, individual gifts present the possibility of being highly sustainable sources of growth. Given the long-standing philanthropic and religious traditions of many Asian countries,⁷ and the relative prosperity being enjoyed by emerging democratic and industrialized states, NGOs may find fund raising from individuals to be a viable alternative to grants and earned income.

Of course, this fund raising method will present its own challenges that may contest long-standing organizational practices in the non-profit sector.⁸ It is for this reason that *Investing in Ourselves: Giving and Fund Raising in Asia* was undertaken—to document, further develop, and disseminate country-specific strategies, principles and techniques for mobilizing local resources and expanding philanthropic giving. In presenting the key findings of this project to the public, it is hoped that more non-profit organizations will graduate from traditional funding sources, and move toward long-term financial sustainability.

Part One, written by Marianne Quebral and Niña Terol, provides a brief overview of NGOs in Asia and their roles in society. Part Two presents a framework for fund raising that is based on the professional experience of Venture for Fund Raising, and over 100 case studies on fund raising by Asian NGOs. The actual cases are available in the country volumes.

Part Three, co-written by Susan Hocking and Dr. Mark Lyons, provides the analysis of individual philanthropic giving. The chapter is based on surveys conducted in the four countries: India, Indonesia, the Philippines, and Thailand.

We wish to recognize the critical role played by the country teams in achieving this ambitious project. The country teams were composed of academics researchers and NGO managers from Bangladesh, India, Indonesia, Nepal, Pakistan, the Philippines, and Thailand. We also wish to gratefully acknowledge the financial support provided by The Asia Foundation, on behalf of the Asia Pacific Philanthropy Consortium, the Asian Development Bank, the Nippon Foundation, and the US Agency for International Development. ▶

Notes

- 1 Yamamoto, Tadashi. "Emerging Civil Society in the Asia Pacific Community," (Japan Center for International Exchange, 1995); Baron, Barnett F, ed. *Philanthropy and the Dynamics of Change in East and Southeast Asia*, (Trustees of Columbia University, City of New York, New York, 1991), especially "Introduction and Overview."
- 2 These are activities by which investors require that they taken an active role in NGO management, program design and implementation, and program assessment. For more information on venture philanthropy, visit

www.surdna.org/venture.html.

- 3 Vacek, Lori A., *Strengthening Philanthropy in Asia Pacific An Agenda for Action: Conference Summary Paper*; (Asia Pacific Philanthropy Consortium: Bali, Indonesia, July 2001); Baron, Barnett F. *Philanthropic Foundations in East Asia* (conference paper); Baron, Barnett F, ed. *Philanthropy and the Dynamics of Change in East and Southeast Asia*, (Trustees of Columbia University, City of New York, New York, 1991), especially "Introduction and Overview."
- 4 CSROs, or Civil Society Resource Organizations, are local, non-governmental grantmaking organizations supporting development programs in different countries.
- 5 Winder, David, *Civil Society Resource Organizations (CSROs) and Development in Southeast Asia: A Summary of Findings*, (The Synergos Institute Series on Foundation Building in Southeast Asia, 1998), p.15.
- 6 Vacek, Lori A., *Strengthening Philanthropy in Asia Pacific An Agenda for Action: Conference Summary Paper*; (Asia Pacific Philanthropy Consortium: Bali, Indonesia, July 2001), p.9.
- 7 Especially for countries where Islam, Buddhism or Christianity are being practiced by majority of the population.
- 8 These challenges will be discussed in the succeeding section.