Potential and Prospects for Philanthropy in Implementing Post-2015 Development Goals

How can philanthropy continue to support development in Asia after 2015?

This paper outlines the changing profile of philanthropists and developments in philanthropic practice, and suggests how philanthropy can be harnessed for sustainable development beyond 2015.

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Potential and Prospects for Philanthropy in Implementing Post-2015 Development Goals

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# CONTENTS

FIGURES AND TABLES ................................................................................................................................. iv

ACKNOWLEDGMENTS ................................................................................................................................... v

ABSTRACT .................................................................................................................................................... vi

1. INTRODUCTION ........................................................................................................................................ 1

2. POST-2015 DEVELOPMENT AGENDA ..................................................................................................... 1

3. PHILANTHROPY DEFINED ..................................................................................................................... 2

4. THE PHILANTHROPIC ECOSYSTEM ....................................................................................................... 2

5. METHODOLOGICAL CHALLENGES OF PHILANTHROPY RESEARCH ............................................... 3

6. GIVING AND GIVERS ............................................................................................................................. 4

   6.1 Evolution in the Practice of Philanthropy ............................................................................................ 5

   6.2 Motivators for Giving ........................................................................................................................ 14

   6.3 Barriers to Philanthropy .................................................................................................................... 15

7. IMPLEMENTERS ......................................................................................................................................... 16

   7.1 Social Entrepreneurs ........................................................................................................................ 16

   7.2 Models of Social Entrepreneurship .................................................................................................. 17

8. CONNECTORS AND NETWORKS ........................................................................................................... 19

9. RECOMMENDATIONS ............................................................................................................................ 20

   9.1 Recommendations for Givers ............................................................................................................. 20

   9.2 Recommendations for Implementers .................................................................................................. 22

   9.3 Recommendations for Connectors .................................................................................................... 23

   9.4 Ecosystem-Level Recommendations ................................................................................................ 23

10. THE FUTURE OF PHILANTHROPY ........................................................................................................ 25

REFERENCES .................................................................................................................................................. 26
FIGURES AND TABLES

FIGURES
1. Venture Philanthropy and Types of Organizations Supported.........................................................8
2. Evolution of Ideas Related to Corporate Responsibility ....................................................................12

TABLES
1. Wealth and Giving in Asia ..................................................................................................................4
2. Sectors and Causes Supported.........................................................................................................5
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ABSTRACT

Along with governments, businesses, and civil society, philanthropists have contributed their time and money toward the attainment of the Millennium Development Goals (MDGs). As the world moves toward the expiry of the MDG and toward Sustainable Development Goals, it is timely to take stock of the developments in philanthropy and consider how philanthropy can continue to contribute to the quest for sustainable development. This paper surveys the trends in philanthropy and the development of expressions and forms of philanthropy in Asia. First, the profile of philanthropists in Asia has changed over the years. With rising wealth, philanthropic giving has been increasing. The number of givers has been growing and philanthropists are giving at a younger age than before. Second, philanthropy has evolved from direct charitable giving to more strategic giving, to the funding of social ventures, and to giving with like-minded others in giving circles. Crowdfunding has also provided alternative platforms for giving. Third, corporate philanthropy has gone beyond donations to volunteer programs, inclusive business models, and shared value. To achieve their goals, philanthropists have also supported and collaborated with other organizations and groups, such as social entrepreneurs and connectors—organizations that bring givers and causes or beneficiaries together. The paper concludes with recommendations on how the potential of philanthropy in all its forms can be harnessed for sustainable development in Asia.
1. INTRODUCTION

As 2015 begins, the global community faces the question of how to sustain the momentum for development post-2015. The United Nations (UN) has been busy consulting a range of stakeholders to set the post-2015 agenda, which will be formally announced in September 2015. But for those working in development, the work goes on. Development is resource intensive, requiring financial, intellectual, social, and human capital. Progress toward the Millennium Development Goals (MDGs) has been facilitated not just by governments and public institutions but also by philanthropy. This paper explores the prospects and potential for philanthropy to contribute toward development in a post-2015 world, particularly in Asia.

2. POST-2015 DEVELOPMENT AGENDA

At its Rio+20 Conference on Sustainable Development in 2012, the UN noted the twin challenges of poverty and environmental destruction:

- The world today has 7 billion people. By 2050, there will be 9 billion.
- One out of every five people—1.4 billion—now lives on $1.25 a day or less.
- A billion and a half people in the world have no access to electricity.
- Two and a half billion people do not have a toilet.
- Almost a billion people go hungry every day.
- Greenhouse gas emissions continue to rise, and more than a third of all known species could go extinct if climate change is unchecked (United Nations 2012).¹

Preparations for the post-2015 agenda began in 2011, when the UN Secretary-General established a task team. The team’s first report, Realizing the Future We Want for All (May 2012), presented the four key dimensions of inclusive economic development, inclusive social development, environmental sustainability, and peace and security. Consultations on the post-2015 agenda were held in more than 70 countries on 11 themes: conflict and fragility; education; environmental sustainability; governance; growth and employment; health; hunger, food, and nutrition; inequalities; population dynamics; energy; and water. In 2014, the zero draft of the post-2015 agenda spelled out 17 Sustainable Development Goals (SDGs) to be attained by 2030. Each goal had several specific targets, making the SDGs more comprehensive and wide-ranging than the MDGs.² In January 2015, the UN Secretary-General affirmed the 17 SDGs as the basis for intergovernmental discussions on the post-2015 agenda.

This paper now turns to the topic of how philanthropy can contribute to sustainable development post-2015.

3. PHILANTHROPY DEFINED

Philanthropy is the giving of time, money, and expertise to those in need.

Traditionally, philanthropy was understood to be the giving of money to the less fortunate, to charities, and to nonprofit organizations. In the last 3 decades, however, philanthropy has evolved and is now taken to mean the giving of money, time, and talent to a specific cause, usually to aid those in need (Fieldmann 2014). Individuals, groups, and organizations can all engage in philanthropy (Zunz 2011). This paper refers to philanthropy as the giving of time, money, and expertise to aid the needy, by individuals, groups, grant makers and foundations, businesses, and other corporate entities.

The present-day definition of philanthropy includes not just the giving of money but also the sharing of time and expertise. For example, expertise is shared when a professional accountant helps a charity to prepare its statement of accounts on a pro bono basis. It also takes place at the corporate level, as when Toyota applied its kaizen approach to help New York soup kitchens improve the efficiency of their operations (El-Naggar 2013). Volunteering of time occurs when people or organizations give time to a cause, such as when Keppel Volunteers (from Singapore’s Keppel Corporation) take members of their adopted charities out for nature treks or park visits.3

Sometimes, the same giver carries out all three kinds of giving. For example, a person can donate money to a child health program, volunteer to spend time and play with the children in that program, and also serve on the advisory board of the program.

There has been increasing recognition that philanthropy is carried out not only by the rich but also by people across different socioeconomic strata. For example, in India, the group with the highest level of participation in philanthropy makes a mere average of $180 a month. In Singapore, giving across a range of income groups (“grassroots philanthropy”) is encouraged by philanthropy-promoting national organizations such as the National Volunteer and Philanthropy Centre (NVPC).4

4. THE PHILANTHROPIC ECOSYSTEM

Philanthropy occurs in a network of mutual relationships among givers, implementers, connectors, and recipients.

Philanthropy is not a stand-alone activity but occurs within a network of relationships among interdependent entities—the philanthropic ecosystem. In this ecosystem, there are givers of various kinds, a variety of implementers, and diverse groups of recipients or beneficiaries. Connectors link these ecosystem constituents to one another or provide a platform for givers to interact. There are interdependencies and mutually beneficial relationships among the constituents. For instance, givers rely on implementers to carry out their work effectively so that the intended recipients can actually benefit from their gifts.

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4 See http://www.nvpc.org.sg/
Potential and Prospects for Philanthropy in Implementing Post-2015 Development Goals

In succeeding sections, the paper identifies and discusses members of the philanthropic ecosystem and the network of interdependencies that support philanthropic endeavors. Givers can be individuals, groups (such as giving circles⁵), corporations, grant makers (such as foundations), venture philanthropists, or social impact investors. Implementers are charities, nongovernment organizations (NGOs), and social entrepreneurial organizations. Examples of connectors are the Asian Venture Philanthropy Network (AVPN),⁶ Dasra,⁷ and the Community Foundation of Singapore.⁸

But before the members of the philanthropic ecosystem are identified and discussed, the methodological challenges in conducting research on philanthropy and estimating the volume of philanthropic giving and activity are worth noting.

5. METHODOLOGICAL CHALLENGES OF PHILANTHROPY RESEARCH

Lack of comprehensive data, small unsystematic samples, and diversity of research methods and subjects are the key methodological challenges of philanthropy research.

The perennial challenge that philanthropy researchers face is the difficulty of obtaining reliable figures on the amounts and types of giving, especially in Asia (Francisco-Tolentino 2010). Hence, a number of caveats must be stated (John et al. 2013):

- There is a lack of comprehensive data on philanthropy. Because of the sensitive and personal nature of wealth and giving, people may be reluctant to reveal the amount and types of giving they engage in. Governments have such data, e.g., from income tax declarations, but guard the data to preserve privacy. However, even the data collected by governments might be inaccurate in breadth and scope, especially for countries like Indonesia, and the Philippines, which include geographically dispersed areas that are hard to reach.

- Studies of philanthropy are usually based on smaller, convenient case studies, as opposed to randomized, stratified samples. Limitations on the applicability of the studies cited should therefore be kept in mind.

- Asia is enormous and diverse. The term “Asia” is used in this paper to refer to countries in which some published data or information exists. These countries are the People’s Republic of China (PRC), India, Indonesia, Japan, Malaysia, the Philippines, Singapore, and Thailand. The claims made in this paper do not extend to countries for which no reliable data could be obtained.

- Studies of philanthropy use different samples, methodologies, and data collection methods. Given the difficulty of collecting data on giving, the studies tend to be about only a few countries. These separate bodies of data or findings, collected at different times and in different circumstances, cannot simply be aggregated to create a comprehensive picture of giving in Asia.

⁵ See http://www.givingcircles.org/
⁶ See http://www.avpn.asia/
⁷ See http://www.dasra.org/
⁸ See http://www.cf.org.sg/
6. GIVING AND GIVERS

There is a high growth potential for Asian philanthropy deriving from the desire for social impact in health, education, and societal welfare.

Estimates of the volume of philanthropic money can be obtained from various wealth and philanthropy reports. These reports are usually prepared by wealth managers or banks that focus on high-net-worth individuals (HNWIs), who own $1 million or more in investable assets excluding their residence, collectibles, and consumables. One of the most recent, the World Wealth Report (2014), estimates yearly growth of 9.8% in the volume of philanthropy in Asia. Such estimates are based on a 17.3% increase in the number of HNWIs from 2012 to 2013, in tandem with the economic growth of these countries, with the highest growth taking place in Japan and the PRC (World Wealth Report 2014).

The report also indicates a positive relationship between the desire for social impact and the amount of a person’s wealth. Only about 50% of individuals in lower wealth brackets show a desire for social impact, compared with over 74% in higher brackets. Asian economies with the highest proportion of HNWIs desiring social impact, according to the report, are India (>90%); the PRC; Indonesia; Hong Kong, China; and Malaysia (>80%). All these numbers bode well for the volume of money available for philanthropic activity. The top three causes favored by HNWIs are: health, education, and the welfare of children and the elderly. Again, all these causes can be tied closely to development. Taken together, they indicate high potential for contributing to post-2015 development (Capgemini and RBC Wealth Management 2014).

Another source of information, the Charities Aid Foundation (CAF), publishes the World Giving Index annually. This report sheds light on two forms of philanthropy—charitable giving and volunteering—by the general population (and not only by HNWIs). Data extracted from the 2014 edition of the index are presented in Table 1.

Table 1: Wealth and Giving in Asia

<table>
<thead>
<tr>
<th>Location</th>
<th>Total Wealth Held by HNWIs ($ billion)</th>
<th>Number of HNWIs</th>
<th>Rank in Charitable Donations by the General Population</th>
<th>Rank in Volunteering by the General Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRC</td>
<td>3,800</td>
<td>758,000</td>
<td>107</td>
<td>129</td>
</tr>
<tr>
<td>Hong Kong, China</td>
<td>627</td>
<td>124,000</td>
<td>Not included</td>
<td>Not included</td>
</tr>
<tr>
<td>India</td>
<td>612</td>
<td>156,000</td>
<td>52</td>
<td>60</td>
</tr>
<tr>
<td>Indonesia</td>
<td>134</td>
<td>40,000</td>
<td>10</td>
<td>13</td>
</tr>
<tr>
<td>Japan</td>
<td>5,500</td>
<td>2,300,000</td>
<td>62</td>
<td>39</td>
</tr>
<tr>
<td>Korea, Republic of</td>
<td>477</td>
<td>176,000</td>
<td>Not included</td>
<td>Not included</td>
</tr>
<tr>
<td>Malaysia</td>
<td>420</td>
<td>60,000</td>
<td>15</td>
<td>10</td>
</tr>
<tr>
<td>Singapore</td>
<td>523</td>
<td>105,000</td>
<td>Not included</td>
<td>Not included</td>
</tr>
<tr>
<td>Taipei, China</td>
<td>356</td>
<td>112,000</td>
<td>31</td>
<td>60</td>
</tr>
<tr>
<td>Thailand</td>
<td>396</td>
<td>80,000</td>
<td>3</td>
<td>70</td>
</tr>
</tbody>
</table>

HNWI = high-net-worth individual, PRC = People’s Republic of China.

Sources: Wealth held and number of HNWIs from Capgemini and RBC Wealth Management’s Asia Pacific Wealth Report (2014); rankings from Charities Aid Foundation’s World Giving Index (2014).

9 See https://www.worldwealthreport.com/
10 See https://www.cafonline.org/PDF/WorldGivingIndex2013_1374AWEB.pdf
Still another report, *Levers for Change: Philanthropy in Select South East Asian Countries*\(^\text{11}\) published by the Lien Centre for Social Innovation, details the sectors and causes to which givers residing in the various Southeast Asian countries contribute. Data taken from the report are presented in Table 2.

**Table 2: Sectors and Causes Supported**

<table>
<thead>
<tr>
<th>Country</th>
<th>Primary Giving Themes (Top 4)</th>
<th>Number of Officially Registered Nonprofit Organizations (2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>Human rights, Community development, Environment management, Gender issues</td>
<td>21,000</td>
</tr>
<tr>
<td>Philippines</td>
<td>Education, training, and human resource development, Community development, Sustainable development, Environmental protection</td>
<td>-81,000–107,000</td>
</tr>
<tr>
<td>Singapore</td>
<td>Religion, Education, Health, Social services</td>
<td>2,130</td>
</tr>
</tbody>
</table>


According to the *World Wealth Report* (2014), HNWIs’ preferred modes of achieving social impact are: investing with a social purpose, regular charitable giving, volunteerism, and decisions with a clear social objective. All these preferred modes find expression in the forms of philanthropic activity that will be discussed immediately below.

### 6.1 Evolution in the Practice of Philanthropy

*Criticisms have led to rethinking and developments in the practice of philanthropy.*

The practice of philanthropy has evolved in the last decade (OECD 2014). This section traces developments in the practice of philanthropy, and in individual, group, and corporate giving.

Traditional philanthropy continues to be pervasive. Direct charitable giving is still a major form of giving in many countries around the world (Capgemini and RBC Wealth Management 2014). This enables the straightforward provision of public goods in environments where affordability is low or where markets and governments have failed to provide those services (Sulek 2010). Such charitable giving will continue to be relevant to the post-2015 development agenda.

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\(^{11}\) See https://centres.smu.edu.sg/lien/files/2014/02/Levers-For-Change.pdf
In the last decade, however, the traditional model of philanthropy has come under critical scrutiny for being donor-centric and insensitive to local conditions—and hence less effective—and for fostering dependence, rather than independence, among recipients. Aid has even been blamed for increasing poverty (Moyo 2008).

Buffett (2013) called for an end to “philanthropic colonialism” and a reimagining of how social needs should be addressed. Even well-known grant makers such as the Gates Foundation have been criticized for being focused on their own agenda rather than on recipients’ needs and political and social contexts (Sylvain 2014). Sometimes, givers cannot foresee how their intended form of aid will be used. For example, well-meaning givers donated money to install PlayPumps in several African countries such as Lesotho, Malawi, and Mozambique (Denend et al. 2014). PlayPumps were a novelty that allowed a group of children to play on a large spinning ring, which, as it spun, pumped water from the ground. But the children tired of their new plaything and the ring was too heavy for a woman to turn by herself, so the pumps were soon left unused. Perhaps the most cogent plea for a clearer understanding of recipients’ needs has come from Sirolli (2012) in a TED talk: “Want to help someone? Shut up and listen!”

Such dissatisfaction with the traditional model of giving has led individuals, groups, and organizations to explore how to give more effectively—for greater impact, for more efficient use of time and money, and to more deserving causes. Givers have also sought ways to create multiplier effects with their donations (OECD 2014).

Underlying these innovations in philanthropy is a shift in assumptions. First, these innovations challenge the assumption that philanthropy is one-way giving that benefits the recipient more than the giver (Boney 2010). Second, they challenge the idea that philanthropic time or money is defined by single gifts, as opposed to continual investments that are recycled and invested for future benefits (Fulton and Blau 2005). Third, these innovations are underpinned by the conviction that the recipients are able to help themselves and do not need to rely on gifts from others (Fulton and Blau 2005). Finally, in the contemporary definition of philanthropy, philanthropists seek greater engagement with recipients, instead of operating at arm’s length from them (OECD 2014).

Innovative approaches to philanthropy that have become more noticeable in Asia over the last decade are discussed below (John, Tan, and Ito 2013).

**Strategic philanthropy.** Strategic philanthropy is values-based and goal-oriented, implements strategic plans, tracks progress, and evaluates outcomes. Instead of merely making singular grants, strategic philanthropists seek greater impact by taking an approach that is guided by particular values and aims. This approach is goal oriented: philanthropists devise strategic plans to attain specific goals and systems that track progress and evaluate outcomes (Porter and Kramer 2006). Often, strategic philanthropists commit themselves to the responsibility (and assume the risks) of designing and running their own philanthropic programs while keeping their strategic goals in mind. The key characteristics of strategic philanthropy are: clear goals and key performance indicators, direct oversight and governance, and sharing of skills, abilities, and experience, as opposed to monetary gift giving.

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12 TED talks, which began as technology, entertainment, and design forums, have become venues for sharing ideas on a wide range of topics in communities worldwide. http://www.ted.com/talks/ernesto_sirolli_want_to_help_someone_shut_up_and_listen/transcript?language=en
An example of such strategic philanthropy is practiced by the Zuellig Family Foundation (ZFF), which runs its own programs in the Philippines to reduce maternal mortality and tracks progress toward the MDGs. ZFF’s philanthropy is strategic in its methods. Drawing on Zuellig Pharma’s experience and expertise in distribution networks, ZFF set up a network of health centers and services for maternal and child health. These health centers served as nodes connecting health services to the surrounding communities. ZFF built on Zuellig Pharma’s expertise in management in creating a change management program for mayors, health leaders, and frontline health workers to improve health outcomes. Since 2009, ZFF has spent $7.8 million on its strategic philanthropic efforts spread across 231 partner municipalities, trained 1,790 health leaders and 3,537 frontline health workers, built 82 health facilities, and benefited 4.5 million Filipino citizens (ZFF 2013).

ZFF is also strategic in its vision and scale. In 2013, ZFF signed a public–private partnership with the Philippine Department of Health to scale up its programs to “15 regions, 54 provinces, and 609 cities and municipalities all over the country. The 609 local government units (LGUs) were identified as priority areas by the National Anti-Poverty Commission. The program will run from 2013 to 2016.”

**Venture philanthropy.** Venture philanthropists seek social impact and financial return. They provide money and expertise to social-purpose organizations while emphasizing accountability and results.

Venture philanthropy came about as an adaptation of the venture-capital model for the developmental context. In venture philanthropy, philanthropic money provides the capital for organizations that have a social purpose. In return for their capital, venture philanthropists seek both social impact and financial return (Frumkin 2003). Venture philanthropists also help social ventures to become self-sustaining and to scale up their operations (Letts, Ryan, and Grossman 1997).

A venture philanthropist works by identifying social ventures, e.g., social enterprises that want to grow but lack capital. After conducting due diligence, the venture philanthropist enters into a formal agreement with the social venture to provide financial support for a certain number of years. This financial support can take the form of grants, loans, or equity. The social venture then becomes an investee (Larson 2002).

The key characteristic of venture philanthropists is their active engagement with the social ventures that they support. They give not just financial capital but also their social and intellectual capital in the form of networks and expertise, e.g., in strategy, marketing, or accounting. Venture philanthropists often serve on the boards of their social investees, lending their experience and expertise to help the organizations become more effective and productive.

Venture philanthropic capital is sometimes called “patient capital,” indicating that venture philanthropists are willing to wait several years for a financial return. According to Acumen, which coined the term “patient capital”:

Patient capital has a high tolerance for risk, has long time horizons, is flexible to meet the needs of entrepreneurs, and is unwilling to sacrifice the needs of end customers for the sake of shareholders. At the same time, patient capital ultimately demands  

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13 See http://www.zuelligfoundation.org/
accountability in the form of a return of capital: proof that the underlying enterprise can grow sustainably in the long run.\textsuperscript{15}

Venture philanthropists bring a performance-focused approach to social investments. The performance of the social investees is monitored in a businesslike manner, with goals, targets, and timelines. There is emphasis on transparent reporting, measures of social impact, and exit strategies for the venture philanthropist (Kramer 2009). Venture philanthropists have varying levels of “patience,” expected financial return, and expected social impact (see Figure 1).

After their investee organizations become self-sustaining, venture philanthropists collect their principal or dividends and exit the organizations. They may then invest the capital in yet another social-purpose organization. This way, the money is continually put to use for developmental purposes, rather than exhausted in a single instance (Kramer 2009).

Venture philanthropy is practiced in several forms. There are organizations dedicated to venture philanthropy, such as SOW Asia in Hong Kong, China.\textsuperscript{16} Businesses may also set up their own philanthropic ventures. For example, the Piramal Group set up the Health Management and Research

\begin{figure}
\centering
\includegraphics[width=\textwidth]{venture_philanthropy_diagram}
\caption{Venture Philanthropy and Types of Organizations Supported}
\end{figure}

\textsuperscript{15} See http://acumen.org/ideas/patient-capital/
\textsuperscript{16} See http://sowasia.org/
Institute,\textsuperscript{17} which provides maternal health services to rural communities in India while making a financial return.

Other venture philanthropists operate in giving circles (see below). An example of such a giving circle is Japan’s Social Investment Partners, which created the Japan Venture Philanthropy Fund in 2013.\textsuperscript{18}

How is venture philanthropy a vehicle for development? Venture philanthropists are motivated to improve the performance of their social investees. By giving expertise and advice to increase effectiveness and accountability in their investees, venture philanthropists also improve the social and economic performance of those investees. Such investee organizations raise the standards among social organizations, serve as role models, and may spur others to improve or innovate. More importantly, venture philanthropists show that there are ways for social organizations to make their investees more self-sufficient instead of relying on donations and grants (Frumkin 2003, Larson 2002).

Critics argue that venture philanthropy funds seem to have shifted from early-stage or angel support ventures to more stable ventures that have been pilot-tested or have shown evidence of returns (Liebman 2011). Others have noted the “pioneer gap” in funding for new, innovative ventures (Koh, Karamchandani, and Katz 2012). Early-stage capital encourages social ventures and enables more ideas to be pilot-tested.

Later-stage social ventures that have succeeded on a small scale also need funding to expand their operations (Bradach and Grindle 2014; Koh, Hegde, and Karamchandani 2014). Funding for scale enables these ventures to benefit more people and achieve greater social impact.

\textbf{Social-impact investing.} Social-impact investing seeks social and financial return, and tends toward lower-risk social or environmental programs.

Besides venture capitalists, who directly invest their time, expertise, and money in social organizations, a new breed of investors—social-impact investors—has emerged.\textsuperscript{19} In impact investing, the investor provides loans or capital, not grants (Usman 2012).

In the last decade, investment banks have moved into social-impact investing. Goldman Sachs, for example, launched a $250 million social-impact fund in 2013 (Braithwaite 2013).\textsuperscript{20} Morgan Stanley’s social-impact fund grew out of its corporate responsibility program, so its social-impact investing blends capital investment with community engagement programs (Morgan Stanley 2012).\textsuperscript{21} These funds focus on specific social impact, with clear indicators of progress or attainment. For example, Goldman Sachs targets reductions in the recidivism rate of adolescent offenders and improvements in childhood education. However, while the amounts channeled toward social-impact bonds are considerable, there are some limitations on the value of such bonds for development (Palandjian and Hughes 2013).

\textsuperscript{17} See http://www.hmri.in/
\textsuperscript{18} See http://www.jvpf.jp/en/index.html
\textsuperscript{19} Global Impact Investing Network. See http://www.thegiin.org/
\textsuperscript{20} See http://www.ft.com/cms/s/0/d7086ae4-4493-11e3-a751-00144fecd0.html/
\textsuperscript{21} See http://www.morganstanley.com/globalcitizen/investing-impact.html/
The funds are managed not by the philanthropists themselves but by profit-seeking organizations. The diversity of investors in these funds—some of whom may be looking for a considerable financial return—may predispose such funds to take fewer risks than venture philanthropists would (Kramer 2009). The funds may therefore pay little or no attention to social needs without a financial model that provides a return (Warner 2012). Rather, they would be more likely to direct their attention to “safe” kinds of investment where the need exists but is not as life threatening or dire. They would tend to address social issues in developed countries rather than developing ones, such as the rehabilitation of prisoners in developed countries rather than survival needs or development needs like sanitation, water, or disease prevention, some of which may have no market solution as yet and may take a much longer time to work out. The search for a malaria vaccine, for example, has taken over 25 years.

In social-impact investing, the social objective must be paramount and must be clearly integrated with the way that the investors manage their investments so that funds are not diverted away from that objective in the interest of attaining a higher return on investment (Liebman 2011).

The best outcome would be for social-impact investing to enlarge the pool of funds for development by drawing more people into philanthropy and sparking their interest in social development issues. There is potential for their interest to grow beyond social-impact investing, to other kinds of philanthropy (Warner 2012).

**Giving circles.** Giving circles engage a wider group of givers and create multiplier effects in giving while educating givers in philanthropy.

Giving circles began in the US and have gained popularity in that country. These are “groups of donors who put anything from a few hundred to a few thousand dollars (and in some cases much more) into a pool of funds, teach themselves about effective forms of philanthropy and issue areas, and decide collectively how to allocate their money” (Arrillaga-Andreessen 2012). Members of giving circles are usually middle or senior professionals. There are some quantitative data on the amount of giving-circle activity in the US.22 For Asia, the best data are qualitative and, as John (2014) puts it, there is a “huge amount of giving circle activity below the water line” (John, personal communication).

Giving circles can be powerful catalysts for philanthropy in at least two ways. First, circle members invite their friends to join them in their giving, thus multiplying the pool of funds available (Karlan and McConnell 2012). Second, giving-circle members may also spur corporate philanthropy, e.g., through their professional networks or influence on their employers (Karlan and McConnell 2012). Because of their specific focus and relatively smaller pool of funds, giving circles may take on causes that are different from those of other big grant makers and philanthropists. They also give both time and money, either volunteering or lending their professional expertise to the beneficiary.

The financial and time commitments of giving circles vary widely. Some (e.g., New Day Asia23) expect a minimum contribution of HK$500 ($64) a month; others (e.g., Dasra),24 Rs1 million ($16,474) a year. As they have a relatively low bar, giving circles can serve as an easy point of entry into philanthropy for people who are new to it. Among people with prior social relationships or connections, giving circles provide a convenient and comfortable way to give. More importantly, there is a significant level of trust in other members of the circle, which increases confidence that the money will be put to good use.

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22 See http://www.givingcircles.org/
23 See http://www.newdayasia.org/
24 See http://www.dasra.org/
Their ability to operate informally, e.g., meeting at members’ homes instead of in an office, keeps overhead costs very low and allows giving circles to direct a large proportion, if not all, of the money that they raise to the designated cause. Giving together also strengthens and deepens the social ties among members, thus reinforcing the will to give and to continue giving, and enhances the practice and quality of philanthropy among members. In deciding what and how to give, members learn and educate one another about the knowledge, process, and practice of philanthropy (Karlan and McConnell 2012).

Crowdfunding. A discussion of the giving of capital naturally leads to the question of whether crowdfunding is a type of venture philanthropy or giving circle. The answer is no. Unlike venture philanthropists or giving circles, crowdfunders do not give advice, professional expertise, or time to the case that is supported, and do not engage with the recipients in a sustained manner. In addition, crowdfunders may not explicitly focus on impact, let alone conduct systematic evaluation and monitoring of social impact (Mollick 2014).

Crowdfunding sites such as Indiegogo and RocketHub include many kinds of fund-raising campaigns, e.g., to make films or develop fashion items. For example, Indiegogo, one of the most established sites, has fund-raising categories that range from animals and art to food and gaming to theater and video or web writing. Many of these campaigns, while worthy, clearly do not relate to large-scale social or economic development.

The degree of organization and formalization in giving circles and, even more so, in venture philanthropy, also sets them apart from crowdfunding. The length of commitment of crowdfunders to their recipients is more short-lived than the commitment of venture philanthropists and giving circles. However, there is potential to harness people’s willingness to give and create awareness of giving through crowdfunding sites. Post-2015 development-focused sites can be created and promoted. In addition, post-2015 efforts could also tap sites dedicated to crowdfunding for social impact, such as StartSomeGood25 or CrowdMission.26

Next-generation (NextGen) philanthropists in Asia. Philanthropists of this generation start giving at an earlier age than their predecessors, are better educated, have a greater representation of women, and are open to volunteerism and collaborative giving.

Children of wealthy families are now introduced to philanthropy in their 20s, 30s, or 40s, instead of later (usually after a business career). Women are represented in greater numbers among the ranks of the NextGen philanthropists by virtue of their rising educational levels and earning power, and the greater responsibility they are given by their families for philanthropic endeavors (UBS Insead 2011).

Better education and more international exposure than their predecessors make it more likely that the philanthropic efforts of NextGen philanthropists will transcend the narrower boundaries set by their predecessors (Economist Intelligence Unit 2011). In this sense, there is tremendous potential to engage these NextGen philanthropists in post-2015 development.

NextGen philanthropists are also more attuned to social media, which help them learn about social needs, and communicate and express their philanthropy. Grant seekers must therefore have a presence on social media and use media to reach out to the NextGen philanthropists (Kobayashi 2013).

25 See http://startsomegood.com/Help/Difference/
26 See http://www.crowdmission.com/
Perhaps because they are more connected socially and have grown up with open-source innovation, NextGen philanthropists readily take on collective or collaborative philanthropy and have a higher rate of volunteerism. For them, the giving of time and expertise goes hand in hand with financial support (Kobayashi 2013).

To summarize, there are good opportunities to engage the NextGen philanthropists in development issues. Most would already have some exposure to or knowledge of the needs of less developed countries and can be further engaged through educational institutions or social media. Families should also be encouraged to allocate some funds to allow the younger generations to make some philanthropic decisions.

**Corporate responsibility.** Businesses are another significant source of philanthropic potential. Over the last few decades, corporate responsibility has evolved from being a pleasant, feel-good option for business to being a norm and even a near-obligation. Instead of being an add-on feature, corporate responsibility is expected to be integrated with business strategy and operations. Figure 2 shows the stages in the evolution of corporate responsibility.

![Figure 2: Evolution of Ideas Related to Corporate Responsibility](image)

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<td>ROI to shareholders</td>
<td>Stakeholder management</td>
<td>Business case for CSR; costs of practicing CSR vs. costs of not practicing</td>
<td>Acceptance, focus on reporting: sustainability and environmental, social and governance impact</td>
<td>Reexamination of value chain; competitiveness along with social and economic value creation</td>
<td>Search for new models</td>
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CSR = corporate social responsibility, ROI = return on investment.

In contrast to the early days, in which Friedman (1970) asserted that “the social responsibility of business is to increase its profits,” corporate responsibility is now seen variously as an obligation, a strategic advantage, and an innovative edge. The following factors contributed to this evolution: research and information (such as Esty and Winston 2006), competitive pressures to imitate market
leaders, institutional pressure from governments and the UN Global Compact, public attention and activism, and a reexamination of corporate values prompted by events such as the Great Financial Crisis of 2007–2008.

The idea of shared value (Porter and Kramer 2011) challenges the boundaries of the capitalist corporation. Porter and Kramer urge corporations to build their own competitiveness while improving the social and economic conditions of relevant communities. To create shared value, corporations should reconceptualize their products and markets, redefine what it means to be productive at each link in the value chain, and enable the development of local communities.

Shared value is an approach to doing business, not an activity or a program. Even before the term was coined, many businesses in Asia had been practicing this approach. One Asian company that has adopted the shared-value approach is MAS Holdings (Sri Lanka), a manufacturer of lingerie, sportswear, and fabric. MAS deliberately chose to situate its factories in rural areas of Sri Lanka rather than in cities so that its workers (mostly women) could live at home while contributing to their families’ incomes. The women work in well-ventilated factories in safe and hygienic conditions and receive financial literacy training in how to make the best use of their salaries for their families’ health and education. The company not only provides employment but also contributes to the development of rural communities and secures the future of the children through their mothers’ well-being and incomes. At the same time, MAS innovates new eco-products and eco-production methods (e.g., an eco-factory) to significantly reduce the carbon footprint of its products. It produced the world’s first carbon-neutral bra, winning accolades and ample free publicity in the fashion and popular press. In the pursuit of shared value, MAS has innovated, and together with its surrounding communities, gained greater economic and societal benefits.

As the philosophy and practice of shared value is absorbed into the corporate mainstream, there is enormous potential for businesses to contribute to philanthropy and development. Companies could be encouraged to review or reexamine their activities from the perspective of shared value, and consider how to innovate and grow while aiding social and economic development in their surrounding communities.

Another recent development is inclusive business, in which corporations both attempt to serve the needs of “bottom-of-the-pyramid” consumers and encourage entrepreneurship among people who belong to the lowest income levels. In one of the earliest examples of inclusive business, Unilever’s Project Shakti trained a network of women to distribute sachets of Unilever personal-care products such as soap to rural consumers in India.27 The women distributors—Shakti ammas (literally, “strength mothers”)—were trained in selling and promotion, in the use of the products, and in business practices. They became micro-entrepreneurs and educators to their peers in the villages, raising community hygiene standards while improving their own economic status and self-confidence. Project Shakti has since spread beyond India to Bangladesh and Sri Lanka. It now also includes male relatives of the Shakti ammas. Unilever plans to raise the number of Shakti entrepreneurs from 45,000 in 2010 to 75,000 in 2015. In a single initiative, Project Shakti managed to address multiple problems related to community health, income levels, and empowerment of women. The increased household income also boosted children’s chances of being educated and better nourished.

27 See http://www.hul.co.in/sustainable-living-2014/casestudies/Casecategory/Project-Shakti.aspx/
The example of Project Shakti shows how an innovative, inclusive business can be a powerful catalyst for development. Inclusive business is not about giving per se, but rather about respecting and serving the needs of the poor and disadvantaged, and developing the abilities of the poor to earn an income and improve their standard of living.

However, inclusive businesses may, like conventional business, also have unintended negative consequences. Along with its social impact, Project Shakti has inadvertently created environmental problems because of waste from product packaging. Unilever had to redesign its packaging to reduce environmental impact. A similar problem challenged Grameen and Danone, which codeveloped low-cost yogurt to combat malnutrition in Bangladesh but had to deal with waste from the packaging. These examples show that perfect solutions to development are elusive. Trade-offs are common. Their acceptability should be considered not only by well-meaning businesses but also by local communities and other stakeholders. The adoption of a systems perspective would facilitate thinking about how the different but interrelated aspects of development may be affected.

The benefits of philanthropy are examined in the next section. In contrast to the traditional view of philanthropy in which the “haves” give to the “have-nots,” this paper takes the view that philanthropy is a two-way process that has mutual benefits for both givers and recipients.

### 6.2 Motivators for Giving

*Drivers of corporate responsibility include cultivation of goodwill, risk mitigation, and fulfillment of legal obligations.*

A question that naturally arises after reading the foregoing discussion of varieties of giving is, Why give? Individuals and groups’ motivations for engaging in philanthropy can be traced to values, background, and culture. As mentioned earlier, individuals see personal giving as an expression of family and personal values and of the desire to give back to society (John, Tan, and Ito 2013). In Asia, religion is also an important motivator, especially in Indonesia and Malaysia (Capgemini and RBC Wealth Management 2014). Psychological research shows that, for individuals, spending money on others increases happiness more than spending money on oneself (Dunn, Aknin, and Norton 2008).

Corporate philanthropy has many drivers. Philanthropy can be a vehicle for creating goodwill and improving the organization’s reputation. Doing good is good for business, it has been argued, because a positive reputation can create business benefits (Abzug and Webb 1997). For example, Akzo Nobel’s “Let’s Color” campaign gives fresh coats of paint to residential buildings, hospitals, and other community buildings around the world. Employees join in to paint the buildings and this contributes to employee engagement. The business also develops goodwill from the community, and its members may in turn buy Akzo paints the next time they need to paint their homes. The “Let’s Color” campaign resulted in much positive publicity for Akzo, gaining many “likes” and “shares” on social media. Such anecdotal but powerful examples are persuasive but there is no precise timetable for such “returns” on investment. It is difficult to induce companies to repeat their gifts on a purely rational basis, so giving should ideally be tied to the corporate values and culture, and become part of the companies’ social compact with society.

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29 [https://www.facebook.com/AkzoNobel/posts/152900451437064/](https://www.facebook.com/AkzoNobel/posts/152900451437064/)
From a rational point of view, philanthropy can shield the company’s reputation from intense criticisms when things go wrong, e.g., when products are found to be defective (Koehn and Ueng 2009). Corporate philanthropy can be a way to shape the environment and reduce risks (Su and He 2010). Corporate contributions to philanthropic causes are also a strategy that businesses use to gain approval and brand recognition (Sanchez 2000). Finally, it has been argued that corporate responsibility programs, volunteering, and philanthropy boost employees’ engagement and give them a sense of purpose or meaning, promoting a strong internal firm culture (Mirvis 2012, Rodell 2013).

In some countries, such as India and Indonesia, corporate philanthropy is now mandatory. In India, the new Companies Act (2013) requires large companies to dedicate 2% of profit after tax to social responsibility efforts. According to Bain (2014),

This regulatory change is likely to unlock $3.7 billion in CSR total spending in 2014. However, this largely corporate kitty is highly competitive with several causes likely to compete for attention and spending, such as education and the environment. Public health accounts for 20% of the total CSR spending currently. Doubling contributions to healthcare with a constant share going to RMNCH+A [reproductive, maternal, neonatal, child and adolescent health] funding in 2025 could contribute $1.7 billion.

Mandatory social responsibility increases the volume of funds available for development. However, the most enduring kind of corporate philanthropy is not driven by external regulations. It is usually embedded in corporate strategy and values. When philanthropy is an element of the corporate culture, there is a higher probability that the company will continue to engage in philanthropic activity even under poor economic conditions (Dennis, Buchholtz, and Butts 2009).

### 6.3 Barriers to Philanthropy

*Lack of information about development and social needs, inability to monitor the outcomes of philanthropy, and lack of incentives are significant barriers to philanthropy.*

There are significant barriers to effective giving by businesses (Austin 2000; Porter and Kramer 2002). Businesses are good at collecting information but may not be well informed about development and social needs. Hence, giving may be channeled to the most widely reported, but not necessarily the most pressing, needs and there may be a duplication of efforts in certain sectors. This lack of information may get in the way of devising effective giving strategies (Austin 2000).

Moreover, businesses are becoming increasingly aware of the need to monitor the outcomes of their philanthropy. A general improvement in the ability of implementers and recipients to report outcomes and impact would boost companies’ confidence that their money has been well spent (Seitanidi and Ryan 2007).

While some countries provide tax incentives for corporate giving, these may be insufficient to encourage a robust environment for philanthropy. Such breaks may also encourage companies to give simply to get a tax break. They do not encourage giving effectively and they do not tackle the other impediments that firms face in giving. They also do not encourage companies to integrate giving with their values and culture. Clearly, tax breaks alone are not enough to promote enduring and impactful giving.

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It may likewise be argued that corporate tax incentives sometimes work against development because government funds that could have been spent on development are diverted to businesses. However, this argument assumes that governments are the most efficient and effective agents of development.

Thus far, this paper has addressed these points related to giving and givers:

- Definition and evolution of philanthropy and the philanthropic ecosystem;
- Givers (individuals, groups, and organizations);
- Varieties of philanthropy (strategic philanthropy, venture philanthropy, social-impact investing, and ecosystem innovations such as giving circles); and
- Barriers to and motivators of philanthropy.

The paper now examines the role of implementers and connectors in the philanthropic ecosystem.

## 7. IMPLEMENTERS

The main task of implementers is delivering social impact.

What is clear from the above discussion of givers is that they do not merely give. They may also participate, to varying degrees, in the work of delivering or implementing programs that create social good. The Zuellig Family Foundation, for instance, delivers training; venture philanthropists sit on boards of their investees; and corporate volunteers do the hands-on work of reading to children. There is a part of the ecosystem, however, for which the main task is delivering social impact. Included here are charities, nonprofit organizations, and NGOs, which have traditionally been seen as the entities that work to benefit the less fortunate.

The last 2 decades have seen the emergence of social entrepreneurs, a new breed of socially conscious individuals and organizations, to also meet social needs. In social entrepreneurship, the term “recipient” (beneficiary) is replaced by “customer.” This terminology clearly captures a shift in assumptions. Beneficiaries are not just passive recipients who can only receive, but they also have something to give in return. They also deserve the consideration and respect given to customers.

### 7.1 Social Entrepreneurs

Social entrepreneurs use often-novel entrepreneurial approaches to fulfill unmet needs.

Social entrepreneurs have been characterized and defined in many ways but the following are their key characteristics (Partzsch and Ziegler 2011):

- Social entrepreneurs are motivated to fulfill currently unmet needs. They innovate to meet needs in sectors experiencing “government or market failure.”
- To address the needs that they have identified, they take an entrepreneurial approach. Their endeavors are founded on a model of how to gather and mobilize resources (such as funding) and support, how to operate, and how to best serve the social purpose.
Social entrepreneurs often employ novel approaches, asking, Why not? They typically combine methods and approaches from various disciplines, e.g., health and business, and work across sectors. They recognize that cross-sector and cross-disciplinary approaches are necessary for solving difficult and seemingly intractable social problems.

7.2 Models of Social Entrepreneurship

There are three models of social entrepreneurship: the leveraged nonprofit model, the social business venture model, and the hybrid social entrepreneurial model.

The three models of social entrepreneurship identified by the Schwab Foundation for Social Entrepreneurship are discussed below together with examples.

Leveraged nonprofit model. In this model of social entrepreneurship, the entrepreneur concentrates on building relationships of mutual support (or leverage) with different groups or individuals in society, in order to garner resources needed to address the problem (Elkington and Hartigan 2007). A prime example of an enterprise that is run according to the leveraged nonprofit model is the World Toilet Organization, founded by Jack Sim.

From the beginning, Sim’s approach was “to get everything for free” by creating collaborations that allow two or more parties with symbiotic interests to benefit from what they each have to offer the other. Sim used humor to draw public and media attention to the 2.5 billion people who have no access to proper sanitation. The name of his organization, “the other WTO,” was chosen specifically to get attention. His methods of giving the media interesting stories—and earning free publicity—included handing out photographs of himself wrapped in toilet paper and sitting on the “throne.” He also issued invitations to the public to participate in “The Big Squat,” 1 minute of squatting every 19 November, to draw attention to the plight of people without toilets. The Big Squat went viral and drew support worldwide as people found it fun to share photos of their squats. Schools and communities organized squat events. Sim has earned the nickname “Mr. Toilet,” and a film bearing that name has been produced and screened at both the Sundance and Cannes film festivals, garnering even more support for the WTO. In a major victory for the cause, the UN in 2013 declared 19 November World Toilet Day.

The example of WTO shows that leveraged nonprofit enterprises can be highly innovative and create immense social value. The long-term sustainability of the model rests on the ability of stakeholders to assume ownership and take responsibility for the initiative. For example, the Big Squat is owned by Squat organizers the world over, who take responsibility for publicizing it. Although fundamentally not-for-profit, such enterprises may receive funding from sources such as product sales, philanthropy, public funds, and other government grants. The Gates Foundation has given funds to WTO and Sim has regularly graced the Gates Foundation’s Reinvent the Toilet Challenge. As the WTO clearly demonstrates, a characteristic of leveraged nonprofit enterprises is that they work by engaging groups and organizations across different segments of society to promote their innovations or their causes via a multiplier effect.

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31 See http://www.schwabfound.org/
32 See http://worldtoilet.org/
33 See http://www.focusforwardfilms.com/films/5/meet-mr-toilet/
34 See http://www.washfunders.org/Blog/world-toilet-day-2013/
Social business ventures. Social business ventures have the dual aim of serving a social purpose while earning a profit. The profit is used to cover costs while enabling the venture to continue serving the social purpose, to scale up operations, and to spread to other areas. Social business ventures receive funding or capital from various sources, such as venture philanthropists, private organizations, and private individuals (Yunus, Moingeon, and Lehmann-Ortega 2010). For instance, LifeSpring Maternity Hospitals in India provides safe, low-cost deliveries to women from lower-income groups. It started as a joint venture between Hindustan Latex (the former employer of LifeSpring’s founder Anant Kumar) and Acumen, a social-impact investment fund. Another social business venture, Healthpoint Services Global, was founded by Allen Hammond, Christopher Dickey, and Amit Jain to provide a solution to the problem of contaminated water, lack of access to doctors and diagnostics, and poor access to high-quality drugs among the people in rural Punjab. The solution was a series of “e-health points”—accessible points in the community where people could collect clean water for a subscription of $2 a month. Built into some points was also an option for customers to consult a doctor via telemedicine, to have diagnostic tests done when necessary, and to buy high-quality generic medicines (Bhardwaj 2013). The Philippines is home to many social ventures, among them, Jim Ayala’s Hybrid Social Solutions (HSS), which provides low-cost, durable solar-powered technologies to far-flung communities in the Philippines. HSS collaborates with locals to design its products (e.g., a waterproof lamp for fishermen to attract fish) and with NGOs, foundations, and microfinance institutions to make its products accessible and affordable.35

Hybrid social entrepreneurial model. The hybrid model of social entrepreneurship blends different sources of support. On the one hand, like nonprofit organizations, hybrid social enterprises accept funding from grants. On the other hand, there are also businesses that create employment for the community while making a profit to sustain social programs.36 Examples of such successful hybrid programs are those of the Bangladesh Rural Advancement Committee (BRAC) and the Population and Community Development Association (PDA) of Thailand. BRAC37 runs its own profit-making enterprises such as Aarong,38 which sells handicraft, clothing, and many other items made by the poor and rural communities that BRAC serves. BRAC also accepts donations from the public, from foundations, and from other givers, as well as time and expertise from volunteers and interns. PDA39 focuses on population planning, education, and the livelihoods of the rural poor in Thailand. PDA has profit-making entities, such as Birds & Bees resorts and Cabbages & Condoms restaurants. These enterprises provide employment, training, and demand for rural produce while generating revenue for the social and health mission of PDA. A foundation that is part of PDA accepts donations for PDA’s work in education, health, and poverty eradication.

Social enterprises are an effective vehicle for development, as the examples mentioned above show. There is much to be gained by connecting givers with social enterprises (Sakarya et al. 2012). Social enterprises often rely on frugal innovations that are highly efficient and effective. These innovations have the potential to accelerate development. The main challenge is to provide support for social enterprises to

- pilot-test and refine their ideas and innovations;

35 See http://www.hybridsocialsolutions.com/
37 See http://www.brac.net/
38 See http://www.aarong.com/
39 See http://www.pda.or.th/e_acpd.asp/
• scale up and spread successful innovations, as Healthpoint Services Global, Hybrid Social Solutions, and others have done; and
• find support in terms of expertise and advice as well as financial capital for the scale-up and spread of innovations.

8. CONNECTORS AND NETWORKS

Besides connecting givers to one another and givers to implementers or recipients, connectors also facilitate informed philanthropy and collaborative giving.

Connectors support both venture philanthropy and social-purpose organizations by bringing together groups of givers, networks of givers and implementers, and networks of investors and investees. The most prominent of such networks in Asia is AVPN, set up by former members of the European Venture Philanthropy Association. AVPN does not simply connect social investors to one another, but also links investors to investees. Other important connectors are philanthropy platforms such as Dasra (India), organizations like the National Volunteer and Philanthropy Centre (Singapore) and the Community Foundation of Singapore, and business networks like the League of Corporate Foundations (Philippines). Besides these connectors, whose primary role is to connect givers and implementers, a variety of other entities also act as connectors. For example, universities focus on research and education but they also organize conferences and seminars where givers and implementers can meet. Other such connectors are consultants, philanthropy advisers, bankers, and enterprise incubators such as the Social Venture Lab at the National University of Singapore.

Connectors play several important roles in developing and maintaining a healthy philanthropic ecosystem. Among their many benefits and functions, connectors can do the following:

• Educate both their members and the general public. For example, AVPN conducts conferences, workshops, and seminars that allow givers to meet other givers as well as implementers. Through their educational programs, connectors can promote higher-quality—more thoughtful and more strategic—giving.
• Reduce redundancy and duplication in giving by encouraging the exchange of information among members and publicizing members’ efforts.
• Collect data (profiles and background information) on trends, e.g., of giving, of needs, and of changes over the years, and on recipients and implementers.
• Maintain a knowledge repository of members’ efforts and experiences, to promote mutual learning.
• Aggregate giving efforts for multiplier effect and encourage collaborative giving for greater impact.

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40 See http://www.avpn.asia/
9. RECOMMENDATIONS

Each member of the philanthropic ecosystem can contribute to post-2015 development. Below are recommendations for givers, implementers, and connectors, as well as ecosystem-level recommendations, intended to heighten the potential and impact of philanthropy.

9.1 Recommendations for Givers

- Increase the capacity to give well.
- Develop philanthropic networks.

As noted in this paper, the growth of wealth in Asia has not been matched by a similar growth in philanthropy. This means that there is room for philanthropy to grow in the coming years.

**Individual givers.** With the creation of new wealth in Asia, there is a generation that can be educated and introduced to philanthropy. The spirit of giving is cultivated at home, in religious organizations, and in schools, but it can be strengthened through the development of intelligent and educated giving, and not only charitable and “feel-good” giving.

Potential givers should learn and apply the basic principles of good giving:

- Understand one’s own values and passions and the causes that excite one most.
- Educate oneself on the needs that exist.
- Give to address needs and not what one thinks others need.
- Be aware of the outcomes or results of one’s giving.
- Consider a more engaged and sustained effort rather than a one-off gift.

These same principles could be adopted even by foundations and grant makers.

**Venture philanthropy.** The potential for venture philanthropy to contribute to development can be realized through greater support for early-stage investments. The formation of more angel networks would also boost such support.

**Giving circles.** Although there are no official data on the current number of giving circles in Asia, the number is expected to grow (John 2014). Making this form of giving better known and supporting their development will harness the potential of giving circles to enhance post-MDG development.

At present, Dasra is a leading network of giving circles in India. However, there are few such networks in other Asian countries and across Asia. The Asian Development Bank (ADB) could take the lead in developing a network of giving circles in Asia, to address the lack of networking opportunities among philanthropists. Such networks will enable giving circles to learn about what other circles are doing, so as to avoid duplication of efforts, enable pooling of resources, or even organize concerted efforts to address different aspects of a complex developmental issue.
There is potential to introduce giving circles to those who have not engaged in structured giving. Because of their low bar to entry and social nature, giving circles could be a way to cultivate a new generation of SDG-minded philanthropists in Asia.

**Corporate givers.** Just as social responsibility has become the norm rather than an optional activity for businesses, corporate giving can become a core business activity rather than a discretionary practice. Expectations of corporate giving will continue to strengthen and rise. This is good news, as businesses have the potential to give not only money but also time and expertise. Creating expectations for corporations to increasingly engage in expertise-giving, in addition to giving money toward social causes, can hasten progress toward developmental goals. Therefore, with respect to businesses, the following recommendations are made:

- **Promote all-round giving.** Businesses should be encouraged not only to make monetary donations but also to donate their knowledge and expertise and engage with recipients.

- **Encourage commitment to specific, strategically chosen causes.** A strategic approach, which businesses apply in other aspects of work, can be applied to their giving as well.

- **Promote greater engagement of businesses with recipients and stakeholders to understand needs and develop programs that will maximize impact.**

- **Encourage businesses to apply their unique strengths and expertise to solve specific aspects of development problems** instead of broad development needs, which can sometimes be seen as too overwhelming and difficult to handle. Vivid illustrations, simple messages, and defined tasks can help to get the attention of businesses. Instead of appealing to companies to tackle diseases, ask companies if they can help transport vaccines. For example, Salesforce Foundation, the philanthropic arm of Salesforce.com, helps nonprofit organizations by donating its product (software), time (training and customization of the software), and equity. Instead of framing its cause broadly as “child mortality,” Unilever defined it specifically as “Help a Child Reach 5.” There will be more of a sense of achievement if companies can find specific causes that they can adopt as their own.

- **Encourage businesses to consider partnerships with other organizations for higher impact.** The partner organizations can be public entities, other private organizations, or NGOs or social-purpose organizations. Development problems are complex and multifaceted, and hence require multidisciplinary and multi-sector solutions. A good example is the partnership between BASF, the world’s leading chemical company, and Lien AID, a Singapore-based NGO, to develop community water enterprises in Cambodia. This program, which began in 2010, drew on BASF’s management and technical experience and Lien AID’s community relations in Cambodia in developing water treatment facilities for 100 households.

- **Track and recognize good work.** As can be seen from the success of environment- or diversity-related awards, companies do respond to recognition and reputational appeals. Governments, central banks, and important institutions such as ADB could give Asian social development awards to businesses. Alternatively, a ranking or star system for social and development performance could give companies an incentive to perform well. To develop this system, governments and institutions could learn from well-recognized indices that incorporate sustainability measures such as the Dow Jones Sustainability Index and the London FTSE4GOOD Index. Governments could place greater emphasis on development-related indicators or give greater weight to development impact when assessing the reputation and value of companies and deciding on tax incentives.
• Encourage important stock exchanges in Asia, such as those in Singapore; Shanghai; Hong Kong, China; and Mumbai, to play a key role in nurturing a culture of philanthropy by highlighting the social and development-related performance ratings of listed companies in Asia. Such information will be valuable for socially conscious investors and will remind the public of the social responsibility of companies.

• Adopt International Financial Reporting Standards (IFRS). Under IFRS, companies will have to report on their social performance and that performance will be subject to scrutiny. Such reporting and scrutiny will encourage companies to pay attention to their social performance and contributions to the community, thus helping to advance the development agenda.

Finally, it is worth noting that the impact of corporate philanthropy can be increased even without additional funds, simply through discipline, the hallmark of good business practice. In business, discipline means setting clear and demanding standards and targets, making processes more efficient, optimizing operations, and trying to maximize impact. The same approach can make corporate philanthropy go much further. The use of every dollar or hour committed must be scrutinized to increase their effectiveness and efficiency in delivering social results and impact, in the same way that business resources are channeled to make profit. Companies are more likely to give if they have confidence that they can make a difference and be perceived as effective.

9.2 Recommendations for Implementers

• Strengthen the social sector’s capacity for leadership, governance, and organization.

• Recognize high-performing implementers.

• Focus on multiplier effects, effectiveness, and efficiency.

• Encourage social entrepreneurship.

Governments, philanthropists, and the social sector all have an interest in building a capable social service sector that will deliver programs in the best way possible. There is much to be gained by building the social sector’s capacity for leadership, governance, and organization so that government and philanthropic money will be well spent. For example, Singapore has the Social Service Training Institute (SSTI) to continuously improve the capabilities of the social sector. The SSTI also endeavors to match skills to needs and plans for future needs, e.g., social work experience and expertise in operations and organization. The Zuellig Family Foundation trains mayors to improve the governance of the local health system.

In addition to training and governance improvements, high-performing implementers could be recognized for excellence in various areas of work. For example, Singapore holds the annual Charity Governance Awards to recognize nonprofit organizations with exemplary governance practices and standards. It is hoped that these awards will increase awareness of the importance of good governance and motivate other organizations to improve.

As part of the capacity building, implementers should be encouraged to consider how to obtain multiplier effects from the money given to them and how to create self-supporting activities and sustainable partnerships with other organizations.
A new breed of social entrepreneurs should be developed through competition, training, and mentorship. The introduction of courses dealing with this subject in university curricula is a good sign but there are many potential social entrepreneurs even among those who do not have a chance to go to university. Governments should therefore be persuaded to consider how they could encourage social entrepreneurship by providing training, mentorship, seed money, and other support.

9.3 Recommendations for Connectors

- Continue to connect horizontally and vertically.
- Include new ways of connecting via technology and media.
- Strengthen advisory services to givers.

Connectors should continue to link social investors (givers) and investees (implementers) to one another (vertical), implementers to one another (horizontal), and investors to one another (horizontal) to encourage learning, sharing, and pooling of resources. Connectors can support venture philanthropy investee networks by either subsidizing or waiving the fees for social investees to join such networks. They should continue convening events such as conferences, workshops, and seminars. In addition, they can adopt more innovative formats, e.g., social gatherings with speed dating–inspired formats that enable meetings between venture philanthropy organizations and potential investees, or technology-enabled formats that give up-to-date information about causes and support needed.

A boost to development can come from increasing the availability and quality of advisory services to guide giving. Organizations such as the Charities Aid Foundation, the Community Foundation of Singapore, and Dasra provide such a function. Individual givers often receive philanthropic advice from banks and independent advisers such as family offices and firms that provide trustee services. The further development of other independent, research-based, and well-informed advisory services could help identify where needs are greatest and aid philanthropists in deciding how they can best give to development-related causes.

9.4 Ecosystem-Level Recommendations

- Create cross-sector structure or themes to focus philanthropic efforts.
- Improve governance, transparency, and accountability.
- Strengthen capacity for social entrepreneurship and other sustainable solutions.
- Promote philanthropic education.
- Support systematic research in philanthropy.

Respected, independent institutions such as ADB or university think tanks can play a significant role in creating and nurturing a thriving ecosystem for philanthropy. As noted earlier, there is a growing volume of philanthropy and a diversity of philanthropic forms in Asia. In line with its development focus, ADB could create a structure or set of themes with which to focus philanthropy and to draw attention to development-related causes.
An improvement in transparency and anticorruption efforts would remove a huge barrier to philanthropy. Poor governance discourages formal philanthropy and may even have spurred the rise of direct philanthropy and giving circles, rather than giving through intermediaries. It may also be behind the rising trend of giving in kind, and directed rather than open-ended giving. While these are not negative trends, an improvement in governance would strengthen every part of the ecosystem (Upadhyay and Hayling 2014).

Among recipients and implementers, an improvement in transparency would also foster or reinforce the sense of accountability to givers, and encourage efficiency and effectiveness. Philanthropists would be motivated to educate themselves on the needs and how well they have been met. All this would make for more thoughtful and effective giving (Upadhyay and Hayling 2014).

The entire philanthropic ecosystem would benefit from continuous learning and improvement. Such learning can take place among philanthropists (learning from one another) and among social entrepreneurs, as well as between philanthropists, entrepreneurs, and other ecosystem members. Social entrepreneurship should be encouraged as a self-sustaining solution to development problems. Governments, universities, and connectors could build capacity for social entrepreneurship by providing training and seed funding for social entrepreneurs (John, Tan, and Ito 2013). A positive example of such training and development comes from Kopernik, an award-winning social enterprise in Indonesia. Besides distributing “last-mile” (low-cost, high-bandwidth) technologies, Kopernik educates its distributors and customers on the use and sale of technologies and entrepreneurship, and also educates other social enterprises and NGOs on effective last-mile distribution (delivery within 1 mile of the end consumer).

Post-2015 development could likewise be aided by the promotion of intelligent and fully informed giving. Philanthropic education should be encouraged, promoted, and provided. Ideally, such education should be done within the community and be available to everyone, instead of being done by wealth managers who serve only the wealthy. This would broaden the reach of such education, and lessen the risk of a conflict of interest. Philanthropy can be cultivated even from childhood. Ideally, philanthropy should be differentiated from one-time, feel-good giving. Philanthropic education should encourage individuals to consider what they value, and how they can realize or express their values by applying financial and other resources toward a particular social cause. Such education can be integrated with school curricula and basic financial literacy programs, to ensure the greatest reach. Basic education on philanthropy should encourage givers to know and understand who their recipients are, what their needs are, and how the gifts are used.

Basic financial literacy programs should encourage people to save, invest, and also consider what they could give. Discussions of philanthropy should go beyond giving by the affluent and HNWIs. An inclusive view of philanthropy, in which everyone is seen as having the potential to give, should be encouraged.

The entire ecosystem can also be enriched by systematic research in philanthropy in Asia. As noted, research in this area has been sparse and unsystematic. Credible research in the area can identify needs, guide philanthropic efforts, and identify best practices, thus enhancing the entire ecosystem.

Finally, inter-sector and integrated approaches should be fostered to address the most pressing development needs. Promoting and highlighting cross-sector and cross-disciplinary collaborations and partnerships would encourage members of the ecosystem to consider doing the same.
10. THE FUTURE OF PHILANTHROPY

There is much potential and promise for philanthropy to contribute to the post-2015 development agenda in Asia. The positive trends are as follows:

- **A bigger role for social entrepreneurs.** There is greater interest in social entrepreneurship among the younger generation, among educational institutions and governments, and even among businesses. As social entrepreneurship becomes more widely recognized and accepted, there will be more social entrepreneurs to address post-MDG needs. These social entrepreneurs will need a supportive ecosystem to generate and test their ideas, to develop them into workable solutions, and finally to scale up and spread them.

- **More demanding, hands-on philanthropists.** This is a positive trend because, as philanthropists demand more accountability and better governance, they may also be motivated to put their money behind such causes. By focusing on process evaluation and outcome evaluation, philanthropists can actually aid development by setting targets and making sure those targets are met. It is also likely that philanthropists will increasingly seek more innovation by recipients, to improve performance and efficiency. All these will benefit the cause of post-2015 development.

- **More socially conscious businesses.** They will come to play bigger roles in the ecosystem through financial support and giving of time and money. Some have even moved on to provide social finance or to start their own social ventures.

Some concerns remain, however. The most significant of these is governance, which must be upheld by all members of the ecosystem. Robust governance of givers, implementers, and connectors would assure members of the ecosystem that the others are trustworthy. Such trust is the basis for multiparty collaborations that can continue to nurture development after 2015.
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Potential and Prospects for Philanthropy in Implementing Post-2015 Development Goals

How can philanthropy continue to support development in Asia after 2015?

This paper outlines the changing profile of philanthropists and developments in philanthropic practice, and suggests how philanthropy can be harnessed for sustainable development beyond 2015.

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Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.