Shaping an Asian brand of philanthropy

The newly launched Asia Philanthropy Circle will focus on action and impact

By Fiona Lam
fionalam@sph.com.sg
Singapore

RUN by philanthropists for philanthropists, the newly launched Asia Philanthropy Circle (APC) aims to build a distinctly Asian model of philanthropy that focuses on action and impact.

APC is a donor platform which brings Asian philanthropists – including private individuals, families or foundations – together to address the region's social challenges and shape national policies. They will convene to learn, collaborate and fund national and regional social interventions.

"What we see today is philanthropists mostly doing things alone," said Laurence Lien, chairman and chief executive of APC. As a result, he said, they do not learn from one another, with many having to start programmes from scratch. But with the APC, they can now gather and bring about action that is collective, more informed and has much greater impact.

"I strongly believe philanthropists can be change agents in Asia and contribute significantly more to the development of the region," he added.

A founding council of up to 10 experienced philanthropists guides and oversees the APC which launched in January. Among its early founders and supporters are Stanley Tan, chairman of the National Volunteer and Philanthropy Centre; the Lien Foundation; the China Foundation Center; and Indonesian philanthropist Cherie Nursalim.

Its secretariat, based in Singapore, includes Mr Lien, chief operating officer Mathias Terheggen and council secretary Bee Wan Tan. The APC is also supported by the Economic Development Board of Singapore.

Instead of merely copying from the West, the APC intends to evolve a uniquely Asian type of philanthropy. This is necessary because the Asian context differs from the West in a number of ways, Mr Lien said.

For one thing, family businesses are more common here, and Asian families tend to want to pass their philanthropy on to the next generation. In contrast, Western families may see different generations working independently on different programmes.

Family businesses in Asia also often have very close links to the families, which can make it hard to differentiate corporate from family philanthropy.

Furthermore, religion plays a huge role. Faith-driven philanthropy is more common here than in the West, Mr Lien said, while countries in Asia are also generally not very supportive of philanthropists.

"They can be quite suspicious and cynical of philanthropists and their motives, which translates to a lack of support," he said. For instance, countries such as Indonesia do not offer philanthropists tax benefits which are as generous as Singapore's.

In the US, grantors and grantees also maintain an arm's length relationship, whereas Asian philanthropists need to develop a more personal relationship with partners before they award a grant.

"Philanthropists in the US are happy giving grants to third-party NGOs (non-governmental organisations) which they have never had a relationship with. But in Asia, we're not as trusting, and the environment is also not so well-regulated," Mr Lien pointed out.

To make the most of the personal relationship between grantor and grantee in Asia, the APC hopes that it will see more philanthropists and their grantees working on a strong partnership basis, as equal partners.

"Once you enter into that relationship of trust, you can actually do new things together instead of just giving grants," Mr Lien said. For example, the Lien Foundation goes on study trips with its grantees, which he said would be considered bizarre in the West.

In terms of membership, APC is targeting leading philanthropists in Asia who are like-minded, want to be strategic, and have significant control over philanthropic resources. Membership is by invitation and member suggestion only.

Just last week, it saw "overwhelmingly positive" reactions on its visit to Jakarta to acquire members, returning with several confirmed new members as well as many strong expressions of interest, Mr Lien said.

Looking ahead, the APC will visit other cities such as Hong Kong, Bangkok and Manila. India and the Philippines in particular are its "natural choices", as they have the most vibrant civil societies in the region, said Mr Lien. Afterwards, it will move on to the next lot of countries such as Japan, South Korea and Malaysia.

In the first half of 2015, the APC will focus on acquiring members. The second half of the year will see it convening events such as the upcoming workshop on ageing in Singapore, although member acquisition will be a continuous process. Other events such as peer-learning roundtables and field trips are also in the works.

Moving forward, Mr Lien hopes to see more support and recognition for philanthropists. Currently, they are not recognised for the role that they can play in the development of their countries and of Asia, but "they should be a major player at the table with other social sector leaders", he said.

He also believes that they deserve "a bit more" support and encouragement in some countries. He suggested changing tax laws to make them more favourable or loosening controls and restrictions on philanthropists, in exchange for more accountability, transparency and better governance.

DOING GOOD TOGETHER
The APC, with Mr Lien as chairman and chief executive, brings Asian philanthropists together to address the region's social challenges and shape national policies. PHOTO: ARTHUR LEE

Greece pins hope on Merkel for compromise

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A net 81 per cent of regional specialists see the European economy strengthening in the next year. Against this background, a record net 51 per cent make the region their top pick in equities over a one-year horizon, up from January's net 18 per cent.

"The European debt crisis has taught us to expect an eleventh-hour deal every time and this is clearly seen in the lack of concern in the Eurostoxx index, the euro and peripheral bonds," said IG chief market strategist Chris Weston. "This does concern me, as there is always the chance that Greece backtracks or Germany walks away."

Indeed, market hopes may not be fulfilled even if there is a short-term financing solution in coming days. Greece is bankrupt, owing in total 342 billion euros (S$525 billion) including 63.5 billion euros to Germany alone, say sceptical economists. The chances of a Greek default and exit from the eurozone have thus increased.

"Greece is going to default. Its debt position is unsustainable," contends Roger Bootle, executive chairman of Capital Economics. "The key questions are: when will it default; and what will the default be called? "Even though canny market operators still suppose that a messy deal between Greece and the eurozone will be cobbled together, wise heads tell us to be prepared for a Greek exit from the euro."

If such an event occurs, there would be risks of contagion causing uncertainty and sales of Spanish, Portuguese and Italian bonds and equities. Podema, the left-wing Spanish political party, for example, has been holding large rallies, illustrating that the Spanish populace has also become disenchanted with stringent austerity demands from eurozone lenders.