Over the last decade, an increasing number of philanthropists in emerging markets have made headlines for supporting socially beneficial causes aimed at improving the quality of human life. Prominent examples include Indian software czar Azim Premji, who gave US$101 million to start a foundation that is now planning a university to train teachers; Hong Kong tycoon Li Ka Shing, who pledged one third of his estimated US$18.8 billion fortune to his foundation; and Chinese property tycoon Yu Pengnian, who has donated a total of US$1.2 billion.

By 2015, experts predict the wealth of high-net-worth individuals in the Asia Pacific region will surpass that of North America, giving the region a remarkable capacity to give. Southeast Asia’s ethnic Chinese have been particularly active in philanthropic giving, as indicated by the legacy of generous businessmen and community leaders, such as Tan Kah Kee and Lee Kong Chian.

The great potential of contemporary Chinese philanthropy is exemplified by Indonesia’s Ridy family, which has made donations to education institutions in Indonesia, the People’s Republic of China and Singapore. Dr Mochna Ridy is the founder of conglomerate Lippo Group, which donated $21 million to the National University of Singapore Business School in 2007 and $55 million to the Singapore Management University (SMU) in 2011.

Disaster relief has become a popular cause for Chinese philanthropists, too. The largest donations in this area were made by Cao Dewang, owner of China’s Fuyao’s Glass, who gave US$46 million to the drought in Southwest China and the Yushu earthquake, which killed more than 1,000 people.

Factors that influence giving decisions of philanthropists include values such as doing good or altruism, as well as business interests, legacy, vintage of wealth, luck, education, guilt, passion or faith. Many philanthropists give because they want to effect real change in order to create social value.
for both the giver and the recipient.

Emotional pleasure or social capital gains also represent powerful rewards for continued philanthropic engagement.

**Following the European, US path**

Asian philanthropic acts are increasingly directed towards institutions based on the charitable foundation model prevalent in the United States of America and Europe, aimed at solving societal problems at the root level. Key drivers behind this new trend are the second or third generation business leaders in Southeast Asia, who are well educated and enjoy much better material conditions compared to first generation Chinese. They are also more exposed to hands-on community work as well as philanthropic patterns in the US and Europe, and keen to implement strategic corporate social responsibility partnerships through their corporate vehicles.

Over the past few years for example, the Putera Sampoerna Foundation, established by Indonesian-Chinese tycoon Putra Sampoerna, has given out thousands of scholarships, adopted dozens of schools, initiated training measures for teachers and principals, established a graduate business school, and set up a student loan facility. Other cases of generous philanthropists who established their own foundations to support social causes include late Singaporean banker and hotelier Lien Ying Chow, who founded the Lien Foundation, and Wee Cho Yaw, Chairman of United Overseas Bank (UOB) in Singapore.

Together with three other Singaporeans – Margaret Lien, Chew Hua Seng and the Kwee family – Wee Cho Yaw was featured on *Forbes’ Heroes of Philanthropy List 2010*. The charitable Wee Foundation helps young people further their education and assist the poor and elderly in Singapore and throughout Asia. It also promotes Chinese language and culture.

**Breaking through traditional boundaries**

Increasingly unmet social needs in areas such as education, healthcare and micro lending suggest that philanthropists continue to play a strategic role in the fight against poverty, ignorance, illness and disease, as well as economic underdevelopment. As the group of well-heeled Asians continues to grow, there is evidence that more affluent ethnic Chinese are pouring money into charity and development-related project measures, transcending ethnic and communal boundaries beyond their own families and clan members.

Regardless of race and ethnicity, well informed and business-savvy philanthropists expect greater accountability and social impact from their donations. Increasingly, they take a more hands-on approach to get real exposure to their beneficiaries and to understand the root causes of the various social causes they support.

While this puts gentle pressure on the performance management systems of projects and programs funded by philanthropic donors, it also often motivates donors to continue with their involvement and to expand advocacy works in new areas.

Four major trends point to an exciting future:

1. **Borderless philanthropy** with rising charitable giving beyond the US and Europe, and increasing cross border philanthropic flows.
2. **Digital philanthropy** and the spread of giving, enabled by technology, in innovative ways.
3. **Philanthrocapitalism**, with its engagement of business entrepreneurs and their many ideas, ambitions, and resources to increase social impact.
4. **Collaborative philanthropy** as givers and even governments seek to collectively create greater social impact.

While these trends will motivate greater giving and in new ways, they represent new challenges for Asia’s education and training institutions. As the third sector’s professionalism grows, it will need to be supported by new programs and executive education courses in areas such as nonprofit leadership, philanthropic management and social innovation.

At the end of the day, that’s an exciting problem for philanthropy in Asia to have.

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