

## Study says Philippines leads in philanthropy

**THE PHILIPPINES** was cited as a Southeast Asian leader in modern-day philanthropy but questions have been raised about its sustainability since its local institutional donations remain insufficient to arrest foreign donor support, a study in Singapore said.

By Imee Charlee C. Delavin, Reporter

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The Philippines' "philanthropic sector... is... among the most diverse and structured in Southeast Asia, with the largest number of locally established philanthropic institutions," the Lien Center for Social Innovation of the Singapore Management University said in a study. The study also noted that the Philippines was able to forge ahead of its neighbors even if overseas development assistance and foreign donations declined steadily over the past decade in several Southeast Asian countries.

"While these illustrate a fairly mature philanthropic sector in the Philippines as compared to other countries in Southeast Asia, nonprofit professionals interviewed for this study indicate that domestic institutional philanthropy has not been sufficient to fill the void created by declining foreign donor support," the study said.

Despite the country's commendable success in developing sustainable funding mechanisms and experimenting with new forms of philanthropy to mobilize local resources and domestic philanthropy, "current levels are insufficient to meet the needs of the country's nonprofit sector," the study said.

"Growing domestic philanthropy is imperative to supporting NPOs [nonprofit organizations] to tackle persistent social challenges... civil society's effectiveness and ability to engage constructively in national development is being threatened by limited sustainable sources of funds," it said.

"Sustainability remains the biggest challenge facing nonprofit organizations in the country. In many cases, the lack of funds has impacted the ability of NPOs to sustain their work and attract and retain personnel," the research added, noting these despite the country's "tremendous wealth creation in recent years as its economy grew steadily over the past decade -- with an average growth rate of 4.5% in the past five years, even outpacing the rate of growth of economies in India and China in the past quarter -- and is expected to be among the fastest growing economies in Southeast Asia for the next few years.

"Mobilizing additional local resources is essential to sustain the efforts of the nonprofit sector in tackling pressing social problems and to ensure that philanthropy in the Philippines keeps pace with existing and emerging social needs," it added.

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Meanwhile, the Lien Center enumerated the features of the country's institutional philanthropic sector as characterized by "a mix of private and publicly supported organizations; the largest funders are three publicly endowed foundations: the Foundation for the Philippine Environment, the Foundation for a Sustainable Society, and the Peace and Equity Foundation; corporate donations in the country are an increasingly important source of income for NPOs; government support for the nonprofit sector is primarily in the form of fees for services and contracts; there is a growing movement for community philanthropy in underdeveloped areas of the country; and international philanthropic resources have been declining steadily, making it more urgent for the Philippines to mobilize and expand domestic philanthropy."

The research entitled, "Levers for Change-Philanthropy in select Southeast Asian countries" -- which is part of the Social Insight Research Series, closely examined philanthropic activities in the Philippines, Singapore, Indonesia, and Thailand.