

Corporate Charity in Question

Singapore companies lack the spirit of selfless giving

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SINGAPOREANS seem to know how to give to charity, each having dished out \$155 on average to a charitable cause in the past year.

But the corporate face of Singapore seems to be straggling far behind, with less than three in 10 corporations having made donations in the past year. Even worse, corporations in Singapore donate just 0.22 per cent of their net profit before tax — a staggering seven times less than companies in the United States.

In fact, about half of the \$954 million charitable dollars last year came from donations from individuals. These surprising findings were unearthed in an 18-month study on philanthropy in Singapore, carried out by the National Volunteer and Philanthropy Centre (NVPC).

"Corporate giving here is still quite low compared to other countries," said Prof Cham Tao Soon, chairman of the Nanyang Fine Arts Foundation, at a panel discussion on "New realities of giving in Singapore" yesterday.

This marked disparity in giving incidence between individuals and corporations dominated the spirited hour-long panel discussion, comprising leaders from the private, public and people sector. Noted Prof Cham: "One problem hindering corporate giving is the shareholders who think that since the money belongs to them, why give it to charity?"

Pointing out that there is in fact a good business case for doing good, Ms Claire Chiang, president of the Singapore Compact, a non-profit body which promotes Corporate Social Responsibility (CSR) said: "CSR is more than just 'feel good' philanthropy. It builds the brand, leading to enhanced brand following and customer loyalty. The market selects companies that do good and care for the community, hence CSR is an important competitive factor."

She added that to adopt a spirit of CSR, companies can volunteer employee time or give a percentage of earnings to support charitable causes; have a CSR manager in the company; and include a CSR report in the annual report, she added.

Prof Cham concurred that companies should embrace charitable giving as a "dividend" policy of sorts, which paid out in terms of customer goodwill.

According to the survey, listed companies in Singapore give 0.22 per cent of their pre-tax profit while unlisted companies give slightly more, or 0.33 per cent.

Dr Loo Choon Yong, a Nominated MP and executive chairman of mainboard-listed Raffles Medical Group, stressed his belief that corporations also have a social role and social "profit and loss" to account for. "If you want us to stop giving, then please don't buy our shares!" he quipped, adding that it should be "quite affordable" for corporations to give one per cent of their pre-tax profit.

Said Dr Loo: "Having a social purpose helps staff to do their daily job better, and gives them a mission greater than themselves. Developing the people sector also gives people a sense of belonging." Nevertheless, besides pitching to corporations, non-profit organisation (NPOs) have to get on top of the business of charity too.

Said Ms Chiang: "Internally, NPOs too have to embrace a 'business' posture by professionalising their services, such as by using qualified resources; learning how to market their wishlist goals to targeted clients; and presenting their cases convincingly to get the 'deal' - Government grants, or corporate donations."
