



The State of Giving

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In this week's edition of the Singapore Scene, we explore the reality of giving, the realities faced by givers and receivers of charity today.

The National Volunteerism and Philanthropy Center held its fifth annual conference this week and for the first time ever, released in a land mark publication, findings on the giving behavior of Singapore's individuals, corporations and grant makers.

As the giving scene continues to evolve, what are the emerging trends, approaches and perspectives towards giving?

A panel of leaders from the private, public and people sectors examines the new truths and realities about giving in Singapore.

One issue they tackled was when considering if any country is a giving nation or not, should this be measured simply in terms of wealth, what proportion of the GNP is being given to charity or should the reasons people are giving money be ascertained, be it for altruistic reasons or dubious reasons of fraud or ego?

Dr Loo Choon Yong is a nominated Member of Parliament and the Executive Chairman of the Raffles Medical Group. He gives his views.

LCY: You do need a measure and money is a useful measure but that should not be all. I think there's another measurement and that's how many percent of your people participate in volunteerism or volunteer for a school board or community centers or whatever. People can volunteer their efforts and for example in SANA (Singapore Anti-Narcotics Association), which I was involved in, a lot of common and ordinary people volunteered their time to hand-hold reforming drug addicts. That's very painful work and they do it. So I think we should measure and that enables us to encourage more people and also to track our own progress. The other point about motive: It's very difficult to judge people on whether they give because of more influence. At the present moment, we can still do with more, more volunteerism, more giving. Honestly speaking, I wouldn't worry too much about the motive, only if it starts with an ulterior motive. But if he ends up mixing with a lot of well-intending and altruistic people, there will be a reforming effect. You must have faith that people can change.

Ms Claire Chang is the President of Singapore Compact, an initiative that was started to forward Corporate Social Responsibility. She is also the Executive Director of the Banyan Tree Gallery. She responds to shareholders' complaints as to why its hard earned profits go to NPOs (Non-Profit Organizations).

CC: I don't think it's tested assumption and we should test it, that shareholders do complain about companies doing well. There is literature that has shown, copious amounts of literature, that big companies and what they're doing has brought about a better reputation, a brand following, customer loyalty and a bigger market share. So there

is enough literature to actually convince us that doing good does not necessarily mean the company is losing out and for shareholders today, there is a change in demographic, a change in patterns and market patterns. People are sensitive to choosing companies that actually adopt CSR. I also think it has to be a top management endorsement that can be translated into a proper company policy that you put out to the market, and the market therefore chooses and selects. That option should be given.

Ms Chang also goes into what can be done to forward the corporate mind set of giving.

CC: It's important to have it in your AGM (Annual General Meeting) and I would truly encourage corporations here to establish a position called a Manager for CSR or extend your HR functions to include CSR. But until it adopts at the top management level, it's not going to filter down to corporations. Once it's adopted by top management, this spirit of giving and then the pattern of giving naturally follows. There won't be so much struggling by NPOs to get that dollar because the top management agrees, they're committed to a certain cause, there's continuity and persistence in the cause and it will snowball. Why corporations are giving on a very ad hoc basis is because of leadership changes: they are interested in different things and different charities. So we do not have consistent continuity. Whereas if corporations adopt very specific causes and increase the depth of donations and the width of understanding, there is more chance of having good corporation giving. I will therefore urge the NPOs to sharpen their skills in marketing their cause. You are the ones running the social causes so you know and you're passionate about it so learn to make good presentations. What this needs is enlightened self-interest at the corporate level and the NPOs sharpening their marketing skills and not take for granted that they needn't account for the dollars given and go back to your donors to explain, to present and appreciate your donors as well.

Mr Niam Chiang Meng is the Permanent Secretary of the Ministry of Community Development, Youth and Sports or MCYS gives his views.

NCM: I think any form of giving is a good thing unless you're doing it for a particularly fraudulent reason. But I would say that people give for various reasons like they believe in the cause. I don't think it's really necessary to dwell too much on that because any giving seems to be a good thing, especially if it's for a good cause and if you want to proxy for measurements, the volunteerism rate, this is one measure. Let me also address the point about companies. I, in fact, remember reading an article about Milton Friedman (One of the most highly influential economists, political commentators and essayists of the century) whom I believe in quite passionately except for one point. He said that the business of business is business, the bottom-line is to make money and you shouldn't be giving to any causes of charity or donations. If you want to be Santa Clause, give to the shareholders and allow them to give to whomever they want. That's one thing I completely disagree with. I think in today's climate and environment, companies need to participate and be part of society. It's an absolute must and there are creative ways in which the companies can link and still have some business elements when they donate and that is to do research, for example, if they're doing biosciences and pharmaceutical life sciences and they can then donate to the Universities. On new forms of marketing, I don't think it's a problem for me if VWOs (Volunteer Welfare Organizations) and NPOs find new and innovative ways to engage donors, to get them to contribute. It can be in the form of TV shows and lucky draws. You just have to find new ways of doing things. The world has changed. If you get what we're trying to do in setting up a donation portal, you'll see that we're trying to create new channels that the younger donors may be able to relate to and contribute.

Another issue that was brought up was are there certain sectors or areas of activity or projects which should strictly be considered government projects and solely be the responsibility of the government to initiate, fund and develop and if that is so, should the government be competing for the charity dollar to fund these projects or should the government take it upon itself to fund these projects in full so the charity dollar can be used for other activities? Dr Loo, nominated MP gives his views.

LCY: The government has always said that in order to really give you a sense of ownership, the government cannot fund everything. Not only must you volunteer, you must also go and find 20 or 30% of the money. In some ways, they are correct. If you want to organize a VWO because you believe in it, one way to make sure that the money is well spent and there really is a demand for that kind of assistance is to make you raise some of the money. But I am very clear and I have seen a lot of small organizations who hardly have enough resources to do the work, let alone raise the money. So I think the government should review this policy. Let's give an example of special schools. The government basically can say this is the budget and get groups to compete on passion and ideas and we'll buy your idea and here's the money, put your idea to work but there must be accountability. This saves you the trouble of raising money. In any case, the good work has to be done and it might as well be done by people who are passionate, people who will volunteer their time then to create a bigger bureaucracy. So I think this is a place to re-look at, it's not a one size fits all situation. In education, this is one of the few things in Singapore that it is still substantially free. I think we should use our wealth to educate our young, educate the less privileged, those who have learning difficulties and we should plough more resources into our people and leave the people to do the work rather than to raise funds as well.

Mr Niam, Permanent Secretary of the MCYS highlights another problem faced by charitable organizations: the fact that there is never enough money.

NCM: And there are one million and one worthy ideas and proposals and if you want the government to try and fund any of these projects, I would hazard a guess that the tax rates would be in the region of 50-70% like in some of the Scandinavian countries and we'd still not be able to do enough. The idea is to get a thousand flowers to bloom, a thousand light bulbs to blow and if people were to provide that kind of passion, and the means, that can really happen. Having said that, the government has been increasing its help and support, some two odd years ago, it instituted double tax deductions for donations which is one of the better deductions compared to many other countries. I don't know of too many countries which actually provide this kind of incentive. It also does matching grants for research and education. I think in the case of the arts, it's also a recent thing that they have given a deduction for sculptures and so on. It's something, that as we progress as a society, the government with the means is trying to do more and that is not to say that other sectors should not play their part because then it would still boomerang back to the people in the form of higher taxes which I also am reluctant to pay! I'd rather give where I can now.

And that was Mr Niam Chiang Meng, Permanent Secretary of the Ministry of Community Development, Youth and Sports ending this edition of the Singapore Scene.